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Advancement of women

Activities of the United Nations Development Fund for Women

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report on the activities of the United Nations Development Fund for Women, prepared pursuant to Assembly resolution 39/125.

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Summary

The present report provides a review and update of progress of the programme and activities of the United Nations Development Fund for Women (UNIFEM) as framed in its strategic plan, 2008-2011. The report tracks overall progress and highlights concrete results of the support that UNIFEM provided to countries in 2008. The report concludes with a set of recommendations on the ways in which the development effectiveness and organizational effectiveness of UNIFEM can be further strengthened.

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I. Introduction

1. The overall goal of the strategic plan, 2008-2011, of the United Nations Development Fund for Women (UNIFEM) (DP/2007/45), approved by the Executive Board of the United Nations Development Programme/United Nations Population Fund (UNDP/UNFPA) in September 2007, is to support countries in implementing commitments to gender equality and women's empowerment in line with their national priorities. UNIFEM works in partnership with Governments, civil society and United Nations organizations to strengthen women's economic security and rights, end violence against women, reduce the prevalence of HIV/AIDS among girls and women and advance gender justice in democratic governance, including in conflict-affected and post-conflict countries.

2. The strategic plan comprises the elements of the UNIFEM accountability framework, against which UNIFEM measures: (a) its contributions to progress on gender equality at the national, regional and global levels, on the basis of the outcomes, outputs and corresponding indicators in its development results framework; (b) its performance, on the basis of the outputs, indicators and targets in its managing for results framework; and (c) its progress towards mobilizing, allocating and expending the financial resources required to implement its programme, as laid out in its integrated resources framework.

3. The present report covers the first year of implementation of the UNIFEM strategic plan, 2008-2011.

II. Context

4. In the past 30 years, far-reaching commitments to advance gender equality and women's empowerment have been agreed at the global, regional and national levels. The Convention on the Elimination of All Forms of Discrimination against Women, the Beijing Platform for Action, Security Council resolution 1325 (2000) and the Millennium Development Goals continue to serve as relevant normative frameworks, along with notable new commitments made in 2008, including Security Council resolution 1820 (2008), which deals with the issue of women and sexual violence, General Assembly resolution 63/155, on the intensification of efforts to eliminate all forms of violence against women, and the Doha Declaration on Financing for Development (resolution 63/239, annex), as well as new regional agreements, such as the Protocol on Gender and Development of the Southern Africa Development Community. Effective implementation is central to ensuring that agreements are converted into concrete, measurable progress for women and girls.

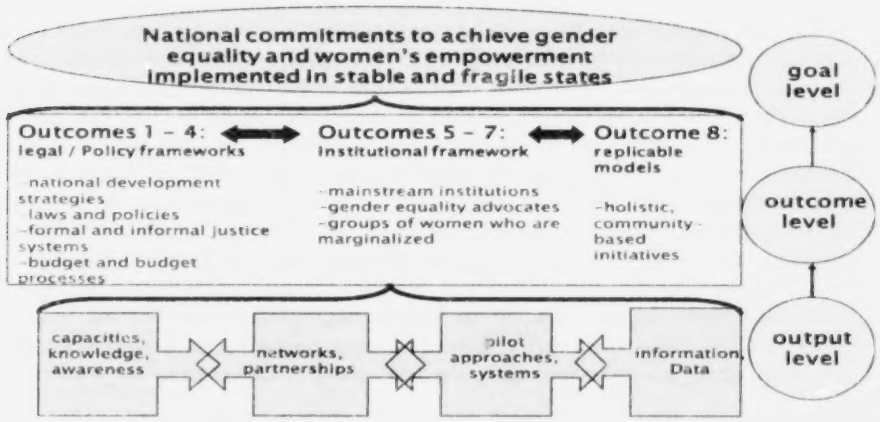
5. UNIFEM efforts to catalyse and provide technical support for implementing national, regional and global commitments to gender equality are being deployed in a context of internal and external change. The launch of the strategic plan, 2008-2011, and of the fourth edition of *Progress of the World's Women*; inter-agency planning for the Secretary-General's campaign "UNiTE to End Violence against Women"; and the intensifying inter-agency and intergovernmental discussions about the architecture that supports gender-equality programming and policy in the United Nations, are all dynamics that offer new opportunities. At the same time, the reverberations of the worldwide financial and economic crisis — particularly for

those who are most excluded — the preparations for and outcomes of the Third High-level Forum on Aid Effectiveness, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, present a challenging environment for securing the resources and support needed to advance gender equality.

III. Development results framework

6. The development results framework contains eight outcome-level results that together represent a holistic effort to support countries in progressing towards the implementation of commitments to gender equality. The UNIFEM results framework is based on the Fund's experience to the effect that, while entry points may vary, a holistic approach to advancing gender equality and women's empowerment requires supporting change simultaneously at the macro, meso and micro levels. In that regard, UNIFEM supports partners in enhancing the gender responsiveness of the normative environment and of mainstream institutions to support the implementation of commitments; gender equality advocates in building the capacity and knowledge to support intensified action and accountability; and innovative pilot programmes to generate credible evidence of effective work at the micro level to inspire replication and upscaling. Figure I illustrates the results logic that drives UNIFEM efforts.

Figure I
Development results logic



7. The section that follows describes progress towards results achieved at three levels: (a) macro-level changes in the gender responsiveness of national development strategies, policies and laws and budget processes (outcomes 1-4); (b) meso-level changes in the capacities of gender-equality advocates, excluded groups and mainstream institutions (outcomes 5-7); and (c) changes at the community level (outcome 8). In each of those areas, UNIFEM works on four cross-cutting themes: (a) enhancing women's economic security and rights; (b) ending violence against women; (c) reducing the prevalence of HIV/AIDS among women

and girls; and (d) advancing gender justice in democratic governance. UNIFEM is reporting thematically in response to a finding from the evaluation of its multi-year funding framework, 2004-2007, that staff and partners find it easier to understand the cycle of change through thematic reporting. It is also important to note that, while the strategic plan was launched in January 2008, a large number of the results reported were generated through programmes and partnerships established during the previous multi-year funding framework and continue under the strategic plan.

A. Enhancing women's economic security and rights

8. UNIFEM supports efforts to enhance women's economic security and rights through programmes that strengthen the gender-equality dimensions of macroeconomic policies, including national development frameworks; increase financing of gender-equality commitments in strategies relating to poverty reduction and the Millennium Development Goals; and enable women to enhance their rights in specific sectors of the formal and informal economy and to have equitable access to productive assets. UNIFEM was active in this thematic area in 71 of the 82 countries to which it directed support in 2008.

9. In this thematic area, UNIFEM worked with Government partners — including ministries of finance, planning and labour and national women's machineries — networks of economists, women's non-governmental organizations and excluded groups of women (migrant workers, home-based workers, rural women) and United Nations country teams to incorporate gender equality and women's empowerment in the development, implementation and monitoring of 20 national, regional and global development strategies (from poverty reduction strategies to regional trade agreements); support agreement on 15 laws or policies related to women's economic security and rights;[1] provide greater access to legal assistance for women to enhance their economic rights in seven countries;[2] and build capacity to institutionalize gender-responsive budgeting in 32 countries.

10. Working with many United Nations partners — most often with UNDP — UNIFEM supported national partners to strengthen the gender-equality commitments contained in 7 approved poverty reduction strategies[3] and 12 newly adopted or revised national development strategies or other policy frameworks.[4] In Liberia, for example, UNIFEM provided technical and financial support to the Ministry of Gender for the finalization of the national gender policy and action plan. Subsequently, as the convener of the gender theme group, it led United Nations system efforts in supporting national partners to mainstream the plan into the poverty reduction strategy and ensured the inclusion of gender-equality advocates. The four pillars of the poverty reduction strategy integrate gender equality priorities, which are in harmony with Security Council resolution 1325 (2000), the Protocol to the African Charter on Human and Peoples' Rights relating to women's rights in

[1] Support was provided to Afghanistan, Cambodia, China, Indonesia, Montenegro, Nepal, the Republic of Moldova, Tajikistan and Kosovo (as defined by the Security Council in its resolution 1244 (1999)) and the subregion of West Africa.

[2] Afghanistan, Cambodia, India, Kenya, Kyrgyzstan, the Philippines and Tajikistan.

[3] In Afghanistan, Burundi, Cape Verde, Côte d'Ivoire, Honduras, Liberia and Rwanda.

[4] In Bolivia (Plurinational State of), Cameroon, Ecuador, Egypt, Kyrgyzstan, Morocco, Papua New Guinea and Vanuatu, and in West Africa.

Africa and the Convention on the Elimination of All Forms of Discrimination against Women.

11. In partnership with the European Commission and the International Training Centre of the International Labour Organization (ILO),[5] UNIFEM produced a series of analytical papers on the links between aid effectiveness that were disseminated at the High-level Forum on Aid Effectiveness. In Kyrgyzstan, for example, the analysis contributed to the Government's undertaking to strengthen systems for the gender-sensitive monitoring of national development plans; costing gender-equality priorities; and introducing gender-responsive budgeting as part of the reform of the public financial management system.

12. In 2008, UNIFEM supported legal and policy reform on women's labour in Afghanistan (labour code), China (local domestic labour protection law), Montenegro (labour law) and the Republic of Moldova (National Action Plan on employment), as well as regional programmes focused on advancing the rights of home-based workers in Asia, and in Asia and the Arab States focused on the rights of migrant women workers. In Tajikistan, UNIFEM support since 2004 has contributed to the development of an "engendered" land-reform strategy.

13. UNIFEM has supported gender-responsive budgeting initiatives since 1997, and in 2008 it continued to provide such support in 45 countries. In 32 of these, the results included an increase in the number of budget processes incorporating gender equality. Ministries of finance in 16 UNIFEM-supported countries[6] issued or reissued guidelines on gender-responsive budgeting, which was also incorporated into sector and local budget processes in 17 countries;[7] and monitoring mechanisms to track progress in gender-responsive budgeting initiatives were launched by civil society and Government partners in 14 countries.[8]

14. Gender-responsive budgeting efforts in Morocco have progressed since UNIFEM extended its initial support in 2001. In 2008, the programme budgets of the ministries of health, employment, finance, literacy and vocational training of Morocco included gender-equality targets and indicators. In addition, the annual gender report that accompanies the finance bill has become a multi-stakeholder monitoring tool to assess the degree to which gender equality is addressed through public expenditure policies. The number of technical departments involved in preparing the gender report increased from 4 in 2006 to 21 in 2008.

15. Gender-responsive budgeting initiatives at the local level can have a direct, positive impact. In Rosario, Argentina, the number of gender-equality projects in the participatory budget process increased from 14 in 2007, representing a budget of 742,448 Argentine pesos, to 24 in 2008, with a total budget of over 3 million Argentine pesos.

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[5] Partnership on Gender Equality for Development and Peace (www.gendermatters.en).

[6] Afghanistan, Armenia, Burundi, Cameroon, Ecuador, Egypt, El Salvador, Ghana, India, Morocco, Mozambique, Nepal, Peru, Rwanda, Senegal and Venezuela (Bolivarian Republic of).

[7] Argentina, Bolivia (Plurinational State of), Brazil, Ecuador, El Salvador, Ghana, Honduras, Indonesia, Mauritius, Morocco, Mozambique, Peru, the Philippines, Rwanda, Senegal, the United Republic of Tanzania and Venezuela (Bolivarian Republic of).

[8] Afghanistan, Argentina, Bolivia (Plurinational State of), Bosnia and Herzegovina, Brazil, Guatemala, Honduras, Kyrgyzstan, Morocco, Nicaragua, Peru, the Philippines, Senegal and Uruguay.

16. Supporting the sustainable capacities of gender-equality advocates and mainstream institutions to advocate for, monitor and/or implement gender-equality commitments relating to women's economic security and rights is critical to progress in this area. In 2008, UNIFEM helped position national women's machineries to strengthen the formulation, implementation and monitoring of Government commitments in 13 decision-making forums;[9] and to position 13 networks of excluded groups of women, who advocated effectively for decision maker accountability on women's rights;[10] and contributed to changes in performance in 17 mainstream institutions, including increased budgets for gender equality in four countries and increased availability of sex-disaggregated data in 12 countries/regions[11] through support to national statistics offices.

17. When they form strong partnerships across governmental institutions, national women's mechanisms can be effective in ensuring that national commitments are followed through. For example, in Cambodia such a mechanism co-chairs the Inter-ministerial Task Force on Migration, which developed contracts for domestic workers and national guidelines to protect overseas migrant workers. In Mexico, the women's machinery, the National Institute of Social Development and academic institutions are partners in a gender and poverty observatory, using qualitative and quantitative information on women's poverty to follow up on Government commitments to gender equality.

18. UNIFEM supported specific groups of economically excluded women in strengthening their organizing efforts, including migrant women workers in Asia; rural women in the Commonwealth of Independent States, North Africa and the Caribbean; and home-based workers in Asia. In Bangladesh, the advocacy efforts of migrant women workers resulted in the establishment of a coordination committee on safe migration for women within the Ministry of Expatriates' Welfare and Overseas Employment. UNIFEM also supported rural women in seven countries[12] in advocating for their right to land.

19. UNIFEM works with policy, service delivery and media institutions to create enabling environments that promote and protect women's economic security and rights. With respect to statistics bureaux, important advances were made to promote specific sections and questions in household surveys related to time use and unpaid work, resulting in more relevant employment questionnaires in Honduras, Mexico, the Bolivarian Republic of Venezuela and Uruguay. In Cameroon, UNIFEM work with the European Commission on aid effectiveness led to a partnership to strengthen the gender-equality dimensions of the Commission's road infrastructure programme.

20. UNIFEM partners with mainstream development actors to identify promising pilot initiatives that can demonstrate innovative approaches to enhancing women's economic security and market opportunities, and increasingly invests in rigorous

[9] Decision-making forums in Afghanistan, Bosnia and Herzegovina, Cambodia, El Salvador, Guatemala, Honduras, Kazakhstan, Mexico, Nicaragua, the United Republic of Tanzania and Tajikistan, and a regional forum in Central America.

[10] In Brazil, Burundi, Cambodia, Cameroon, Colombia, India, Indonesia, Jordan, Mexico, Nepal and Pakistan, and at the regional level in Latin America and the Caribbean.

[11] In Brazil, Colombia, Ecuador, Honduras, Indonesia, Mexico, Senegal, the Republic of Moldova and Uruguay, and in Central America, South Asia and West Africa.

[12] Belize, Dominica, Guyana, Kyrgyzstan, Morocco, Suriname and Tajikistan.

evaluation to generate learning that supports upscaling or replication by national, regional or international partners. In 2008, UNIFEM invested in six community-level initiatives to enhance women's economic security. These included the partnership between UNIFEM, the World Bank and the International Centre for Research on Women in a pilot programme of results-based initiatives in Cambodia, Egypt, Kenya, the Lao People's Democratic Republic, Liberia and Peru that began in 2006. The initiatives are designed to identify proven, "quick-win" interventions that enhance women's economic security and rights and incorporate a strong evaluation component in the programme design.

B. Ending violence against women

21. UNIFEM supports partners in ending violence against women through assistance in aligning national and local laws, policies and programmes with international and regional human rights commitments; implementing multisectoral national strategies to address violence against women, including services to protect and promote women's human rights; developing effective prevention approaches, especially through work with men, boys and adolescents; and undertaking advocacy and communication initiatives that lead to changed attitudes and behaviour. UNIFEM administers, on behalf of the United Nations system, the United Nations Trust Fund in Support of Actions to Eliminate Violence against Women, as designated by the General Assembly in 1995 (see resolution 50/166). UNIFEM was active in this thematic area in 56 of the 82 countries to which it directed support in 2008.

22. With an increasing number of countries agreeing to national laws, policies and strategies related to ending violence against women, it is critical that these agreements be reflected in mainstream national strategies and budgets. UNIFEM supported partners in successfully advocating for the inclusion of commitments to end violence against women in national development and poverty reduction strategies in five countries in 2008;[13] drafting, consulting on and adopting eight laws[14] and seven policies[15] to address multiple forms of violence against women, including domestic violence, trafficking and female genital mutilation in 15 countries. It supported efforts to end impunity for violations of women's rights that resulted in reforms to justice systems in Argentina, Burundi, Ecuador and Rwanda. Gender-responsive budgeting processes have led to the inclusion of specific lines to address violence against women in the national budgets of Burundi and Ghana; in local budgets in the Bolivarian Republic of Venezuela and Honduras; and in the Ministry of Health of Ecuador for specific activities to eradicate and prevent gender-based violence in conflict zones.

23. Women's ministries and women's non-governmental organization networks are at the forefront of efforts to put violence against women on the policy agenda and to expand State accountability and support. The long-term support of UNIFEM for the Ministry of Women's Affairs in Afghanistan contributed to its ability to secure agreement on a national plan of action for women in 2006 and to lead a 14-member

[13] Afghanistan, Burundi, Ecuador, Liberia and Rwanda.

[14] In Bosnia and Herzegovina, Burundi, Colombia, Egypt, Guatemala, Jordan and Mexico.

[15] In Algeria, Burundi, Cameroon, Mozambique, Rwanda and Somalia, and at the regional level in Africa.

inter-ministerial commission to end violence against women. Those preparatory activities strengthened the capacity of gender-equality advocates to make a strong case for the inclusion of specific priorities to end violence against women in the 2008 Afghan national development strategy.

24. Enhancing the capacities of decision makers in formal and informal justice systems to deliver justice for women in efforts to end violence against women is a key focus area in the UNIFEM strategic plan. In 2008, this included providing financial and technical support to expand the legal assistance available to women in 11 countries and increasing the knowledge of judicial decision makers in 6 countries. In Burundi, for example, the Bashingantahe, a traditional institution for conflict resolution and reconciliation formerly reserved for men, has been transformed so that women can combat gender-based violence and other violations of women's human rights. Today, 45 per cent of the members of the national committee are women, as are more than 30 per cent of the members of the decentralized committees.

25. UNIFEM works to support and expand efforts in the area of advocacy, policy influence and political space and the capacities of gender-equality advocates with a view to bringing an end to violence against women. In 2008, UNIFEM supported efforts in five countries or territories[16] — and at the regional level in West Africa — to strengthen their ability to monitor the implementation of commitments. UNIFEM provided support to seven institutions — including police and military and judicial systems — to enhance their performance with regard to ending violence against women;[17] and to statistics bureaux in four countries[18] to collect and/or analyse data.

26. UNIFEM supported capacity-building efforts in 18 institutions, including for police and military officers in 12 countries. The Rwandan Defence Forces and the national police have adopted a comprehensive approach to institutionalize work to end violence against women. The Defence Forces issued the Kigali Declaration, which calls for increased recruitment of women in peacekeeping operations; comprehensive training for all troops; and a zero-tolerance policy towards sexual exploitation and abuse. The Forces established a gender desk in 2008, with UNIFEM support, through which officers have conducted training for close to 5,000 military personnel and civilians in three of the five provinces of Rwanda, and integrated modules into the training curriculum for cadet schools. The national police adopted Rwandan Defence Forces training manuals for its entire staff. The Forces have a toll-free phone hotline for rapid response, and a leading telecommunications company, MTN, provides free support. Burundi, Liberia, the Sudan and the United Republic of Tanzania have also benefited from South-South exchanges of experience with Rwanda.

27. At the community level in 2008, UNIFEM and the United Nations Human Settlements Programme (UN-Habitat) together expanded a programme that was originally supported by the United Nations Trust Fund in Support of Actions to Eliminate Violence against Women, by helping women's networks to create "safe cities". The aim of that cross-regional initiative is to refine and rigorously evaluate a

[16] Albania, India, Mexico, the Occupied Palestinian Territory and Uruguay.

[17] The Ministry of Public Security of Burundi, the Ministry of Justice of Cambodia, three Haitian geographical departments, the Ministry of Social Affairs of the Occupied Palestinian Territory and the police in the Sudan.

[18] Barbados, Burundi, Morocco and Rwanda.

model of how local authorities, working together with communities and women's organizations, can prevent violence against women and girls in public spaces. The longer-term intention is to promote the model for adaptation and upscaling by local governments. A methodological intervention model has been developed in the cities of Rosario, Argentina, Bogotá and Santiago, and new work proposals have been developed for Haiti and Brazil.

C. Halting the spread of HIV/AIDS among women and girls

28. To promote a coherent, gender-sensitive approach to halting the spread of HIV/AIDS, UNIFEM works in collaboration with the United Nations system, national AIDS councils and civil society partners, prioritizing support to HIV-positive women's networks to advocate for gender-sensitive responses to the pandemic and to address interlinkages between HIV/AIDS and violence against women. UNIFEM was active in this thematic area in 13 of the 82 countries to which it directed support in 2008.

29. National AIDS plans are central planning tools that guide work in various sectors and behind which donors align their support. In 2008, working with Government, civil society and United Nations-system partners, UNIFEM supported the development of a gender-responsive HIV/AIDS strategy at the national level in Barbados; of policies in Nigeria; and of a regional strategy in the Caribbean. In Barbados, UNIFEM provided technical support for the development of the national strategic policy and action plan on HIV that was accepted by Parliament in 2008. The final policy incorporates strategic actions to support women's empowerment in prevention programmes.

30. At the global level, in June 2008 UNIFEM released its publication *Transforming the national AIDS response: mainstreaming gender equality and women's rights into the "Three Ones"*. It has been endorsed as a key tool for incorporating gender equality in national AIDS policies and plans by the World Bank, and has been used by the Joint United Nations Programme on HIV/AIDS and UNDP. It forms part of the guidance of the World Bank AIDS Strategy and Action Plan service for evaluating HIV strategies and action plans at the country level.

31. HIV-positive women's groups are key partners in the quest to reach the Millennium Development Goal on HIV/AIDS, as they provide first-hand experience in shaping gender-responsive HIV/AIDS policies and programmes. In 2008, UNIFEM supported HIV-positive women's networks and groups in articulating an agenda and a call for Government action in Burundi, Ghana, India, Rwanda and Sierra Leone. UNIFEM also supported partners to enhance service delivery through mainstream institutions in India and Nigeria.

32. The United Nations Trust Fund in Support of Actions to Eliminate Violence against Women, managed by UNIFEM on behalf of the United Nations system, invested in generating knowledge and capturing lessons that can promote replication and upscaling of successful models of intervention. Under the special "window" addressing the intersection of violence against women and HIV/AIDS, emphasis has been placed on ensuring the rigorous monitoring and evaluation of programmes addressing interlinkages in Botswana, the Dominican Republic, India, Nepal, Nigeria, Thailand, Trinidad and Tobago and Viet Nam. Those eight programmes, managed as a "knowledge cohort" within the Trust Fund, are guided by a common

set of learning questions and approaches to baseline data collection. The focus on facilitating learning between and independent evaluation of the programmes is designed to enable them to generate a cross-country evidence base offering insights into effective strategies to respond to the interlinkages between violence and HIV/AIDS.

D. Advancing gender justice in democratic governance

33. Good governance is recognized as an important component of aid effectiveness and sustainable peace. UNIFEM supports partners in building capacities and processes that enhance accountability through gender-responsive reforms in judicial, security and service-delivery institutions, as well as through engagement in oversight processes; and by increasing women's political participation and influence in conflict prevention and peacebuilding. UNIFEM was active in 70 countries in this thematic area, out of a total of 82 countries to which it directed support in 2008, expending 44 per cent of programmable funds.

34. In 2008, UNIFEM worked in partnership with national women's machineries, gender-equality advocates, United Nations country teams and Government partners to secure the incorporation of commitments to gender equality and women's empowerment in the post-conflict strategies of five countries; support the passage of 27 laws or policies strengthening women's participation in democratic governance; support justice system reforms in five countries; and ensure that resource allocations are available for women in crisis and post-conflict situations through the consolidated appeals process.

35. UNIFEM supported national consultative processes to advocate for the inclusion of gender-equality priorities in the constitutions of Algeria, the Plurinational State of Bolivia, Ecuador, Egypt and Kosovo, finalized in 2008. In Ecuador, UNIFEM supported efforts that resulted in the inclusion of 95 per cent of women's demands in the 2008 Constitution, including the right of indigenous women to participate in ancestral justice processes.

36. In 2008, UNIFEM supported the passage of 15 laws[19] and 13 policies[20] to strengthen women's participation in democratic governance, and tracked the use of the Convention on the Elimination of All Forms of Discrimination against Women as the basis for legal change in 23 countries — specifically, the use of the Committee's concluding comments in 15 countries, with support being provided to partnerships in four countries[21] for their implementation.

37. At the global level, the passage of Security Council resolution 1820 (2008), which dealt with the issue of sexual violence in conflict, gave important impetus to the work of UNIFEM and its partners, particularly the United Nations agency collective United Nations Action against Sexual Violence in Conflict. In partnership with the Department of Peacekeeping Operations, United Nations Action and the

[19] In Afghanistan, Albania, Colombia, Egypt, Haiti, Indonesia, Iraq, Morocco, Vanuatu and Viet Nam and in the Great Lakes region.

[20] In Cambodia, Cape Verde, Côte d'Ivoire, Mauritius, Morocco, Nigeria, Paraguay, the Republic of Moldova, Rwanda, Serbia, Tunisia and the Occupied Palestinian Territory, and at the regional level in Africa.

[21] The Plurinational State of Bolivia, Indonesia, Liberia and Viet Nam.

Governments of the United Kingdom of Great Britain and Northern Ireland and Canada, UNIFEM focused attention on the role of uniformed peacekeepers in preventing widespread and systematic sexual violence, treating it as a security challenge and, at a conference at Wilton Park, United Kingdom, bringing United Nations and African Union force commanders face to face with leading Security Council members to discuss appropriate security responses to sexual and gender-based violence in conflict. UNIFEM provided technical input for resolution 1820 (2008) by documenting practical actions undertaken by peacekeeping forces to combat sexual and gender-based violence in conflict and shared it with decision makers.[22]

38. In 2008, UNIFEM supported efforts to improve capacity in formal and informal justice systems to strengthen gender justice in Afghanistan, the Plurinational State of Bolivia, Burundi, Ecuador, Morocco and Viet Nam; provide human rights-based knowledge or training for judicial actors in 10 countries; and increase women's access to legal assistance in 9 countries.

39. UNIFEM supported capacity development initiatives to strengthen gender-equality advocates and mainstream institutions to advocate for, monitor and/or implement commitments to women, supporting key political parties to promote women's rights in six countries[23] and women's participation as candidates in six countries;[24] contributing to improved performance in 16 mainstream institutions; and increasing budgets for gender equality in 2 countries.

40. In 2008, the world celebrated unprecedented electoral returns for women in Rwanda, with 56.2 per cent of the members of Parliament being women. During the 2008 elections, most political parties had at least 50 per cent women candidates on their electoral lists. UNIFEM supported a three-day training course on electoral processes for 113 female representatives from all parties, covering manifesto development, competitive political discourse, laws, economic policies and confidence-building.

41. An analysis of the numbers of women participating in peace talks since the passage of resolution 1325 (2000) demonstrates that there has been little increase in their engagement as mediators, negotiators or observers. UNIFEM facilitated women's groups in developing common agendas to influence peace processes in Burundi, Darfur, Guatemala, Rwanda, the Sudan and Uganda and in the context of the Israeli-Palestinian conflict. The Uganda Women's Peace Coalition developed women's implementation protocols on key components of the peace agreement to advocate with the mediation secretariat, delegations from the Government of Uganda and the Lord's Resistance Army on implementation protocols and the inclusion of women's priorities. The provision by UNIFEM of a gender adviser to the Secretary-General's Special Envoy to the Lord's Resistance Army-affected areas, in collaboration with the Department of Political Affairs, was an important strategy for expanding participation of gender-equality advocates and securing stronger commitments to women's rights.

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[22] The Analytical Inventory of Responses by Peacekeepers to War-Related Violence Against Women.

[23] Burundi, Cambodia, Colombia, Nepal, Rwanda and Timor-Leste.

[24] Cambodia, Ecuador, Indonesia, Nepal, Rwanda and Sierra Leone.

42. In 2008, UNIFEM worked to support increased gender responsiveness in 22 mainstream institutions including a cross-section of Government ministries, electoral commissions, mechanisms for peace negotiations and transitional justice, universities, mainstream media and the private sector. An important outcome in Nigeria was the establishment, in partnership with UNDP, of an equal-opportunity committee within the Electoral Commission.

E. Gaps and challenges

43. While UNIFEM reporting in the first year of the strategic plan demonstrates significant areas of progress in contributing to national, regional and global priorities for advancing gender equality and women's empowerment, it also reveals gaps and challenges, as set out below:

(a) The absence of agreed standards on what constitutes a national development strategy or plan that is "fully aligned" with gender-equality commitments makes it difficult to assess the extent of the results generated. In 2009, UNIFEM will consult with partners such as United Nations system organizations, relevant Government ministries, gender-equality networks and experts on this topic to improve internal standards/criteria for assessing strategies, and will support monitoring and the use of gender-responsive budgeting and other tools to promote budgets for implementation;

(b) Programme guidance is needed on engaging with public-sector reform efforts to strengthen their gender dimensions. The preparatory phase of a UNIFEM global programme on democratic governance and service delivery for women was completed in 2008 and will guide work in this area in 2009;

(c) Two processes over the next year may help address the deficit of women's participation in peace processes: the Secretary-General's report on implementing resolution 1820 (2008), and the forthcoming tenth anniversary of resolution 1325 (2000). UNIFEM is building partnerships and capacities to make the most of those opportunities;

(d) UNIFEM needs to invest in a rigorous, systematic evaluation of strategies that work to prevent, respond to and end impunity for violence against women. The Organization is building a knowledge-management platform to make accessible state-of-the-art information derived from global experts, as well as promising practices from UNIFEM programme experience. It is also working with the inter-agency Programme Appraisal Committee of the Trust Fund to strengthen its evaluation strategy and capacity.

IV. Management results framework

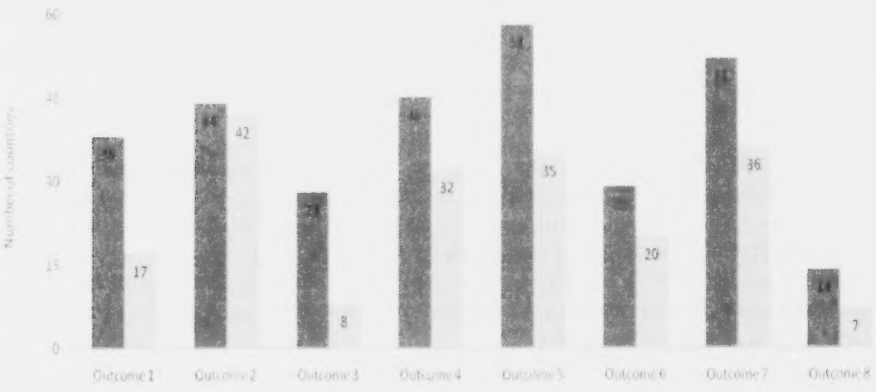
44. While demand exceeded its ability to respond in 2008, UNIFEM was able to respond to requests for programming and technical support in 82 countries. In all countries, UNIFEM support aligns with national development priorities and the overall programme framework of the United Nations country teams. However, the range of support that UNIFEM provides varies. In 42 of those countries, UNIFEM supports a relatively small programme, including where efforts in the country are linked to a broader regional or subregional programme designed to pilot innovation

across countries or regions. In 40 countries, UNIFEM supports multidimensional strategies with a broad range of partners and focuses on contributing to a range of interlinked outcomes related to national development priorities. Figure II tabulates UNIFEM support of country-level results according to the eight outcomes identified in the strategic plan, accompanied by the corresponding programmatic expenditures (see fig. III).

45. Figure II shows that UNIFEM provided the greatest support for interventions that build the capacity and influence of gender-equality advocates (outcomes 5 and 6), continuing a trend reported under the previous multi-year funding framework, 2004-2007. Much of the demand and many of the entry points are identified by gender-equality advocates, and increases in their capacity translate into achievements across other outcome areas. It is important to note the smaller investments in outcome 3 and outcome 8. Outcome 3 (enhancing the gender responsiveness of justice systems) is a new area of focus that UNIFEM is intensifying in this strategic plan period. Outcome 8 focuses UNIFEM support on select community-level initiatives that are expected to generate results over the course of the strategic plan. UNIFEM anticipates that investments in this outcome area will be small for the first two years, as it hones in on a select number of initiatives, and will grow significantly in the third and fourth years to reflect a higher investment in impact evaluation that can generate a credible evidence base of effective ways to advance gender equality.

Figure II

Number of programme countries where UNIFEM was able to respond to requests for support in 2008, by outcome

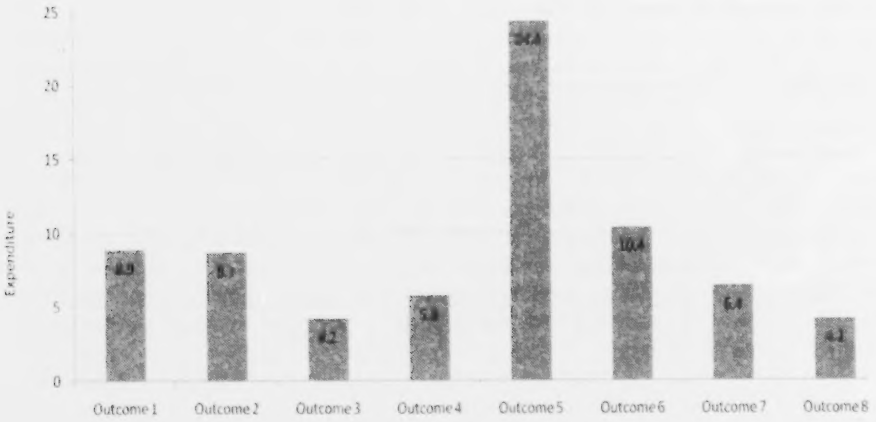


Key: black bars: programme countries where UNIFEM is providing support to achieve outcome; grey bars: countries where outcome has been achieved on at least one indicator.

Note: Outcome 1: increased numbers of national development strategies (including poverty reduction strategies, sector-wide approaches, post-conflict reconstruction strategies, and other nationally owned plans) incorporate gender equality in line with national commitments to the empowerment of women (such as the Millennium Development Goals) and human rights (the Convention, for example).

Outcome 2: increase in numbers of constitutions and legal frameworks and processes — particularly those related to economic security and rights, property and inheritance rights, trade, migration, ending violence against women and electoral and security sector reform — that promote and protect the human rights of women and eliminate gender inequality.
Outcome 3: greater numbers of formal and informal justice systems promote the human rights of women at national and local levels.
Outcome 4: increase in number of budget processes that incorporate gender equality.
Outcome 5: gender equality experts, advocates and their organizations and networks enhance their capacity and influence to ensure strong gender-equality dimensions in national laws, policies and strategies, including in peacebuilding and post-conflict reconstruction processes.
Outcome 6: the most marginalized women (including, among others, HIV-positive women, women informal-sector workers, migrant women, indigenous women, women survivors of sexual and gender-based violence in conflict situations and women with disabilities) have increased resources, capacities and voice to ensure that their priorities are included in relevant policies, programmes and budgets.
Outcome 7: key policy, service delivery and media institutions have increased resources and improved structures, procedures, incentives and capacities to implement laws and policies that promote and protect the human rights of women in line with global, regional and national agreements.
Outcome 8: community-level initiatives generate a greater number of effective models for advancing the human rights of women and eliminating gender inequality.

Figure III
Provisional 2008 programme expenditure distribution by outcome
(Millions of United States dollars)



46. The management results framework helps UNIFEM assess its performance in carrying out its mandate and the delivery of results. Unlike the development results framework — which contains both outcome- and output-level results — the management results framework comprises output-level results for which UNIFEM is wholly responsible. It consists of four areas: (a) policy advice and catalytic programming; (b) United Nations coordination and reform; (c) accountability, risk and oversight; and (d) administrative, human and financial capacities, for a total of 17 outputs and 58 indicators, against which UNIFEM tracks progress and gaps.

A. Area 1
Policy advice and catalytic programming

47. Outputs in this area track the extent to which UNIFEM advocacy, capacity development, technical support, catalytic programming, documentation and dissemination build on lessons learned to stimulate replication and upscaling.

48. Eight efforts to replicate or upscale UNIFEM-supported initiatives were tracked in 2008. They included a programme to reduce recidivism may male perpetrators in Grenada which has been replicated in six Caribbean countries; and documentation of the use of "mock sessions" to strengthen reporting on the Convention on the Elimination of All Forms of Discrimination against Women, which is being recognized by the Committee and which UNIFEM will continue to promote for replication by national, regional and multilateral partners.

49. UNIFEM registered significant progress in generating guidance through the drafting of the *Analytical Inventory of Responses by Peacekeepers to War-Related Violence Against Women* — a compendium of best practices by uniformed personnel for preventing sexual violence in conflict and post-conflict settings, compiled with Department of Peacekeeping Operations involvement on behalf of United Nations Action against Sexual Violence in Conflict, which is recognized as a knowledge base of practical actions; the publication of the fourth edition of *Progress of the World's Women*, which is generating stronger interest in gender-responsive accountability; and the launch of an online help desk to support the collection and dissemination of proven practices for addressing violence against women.

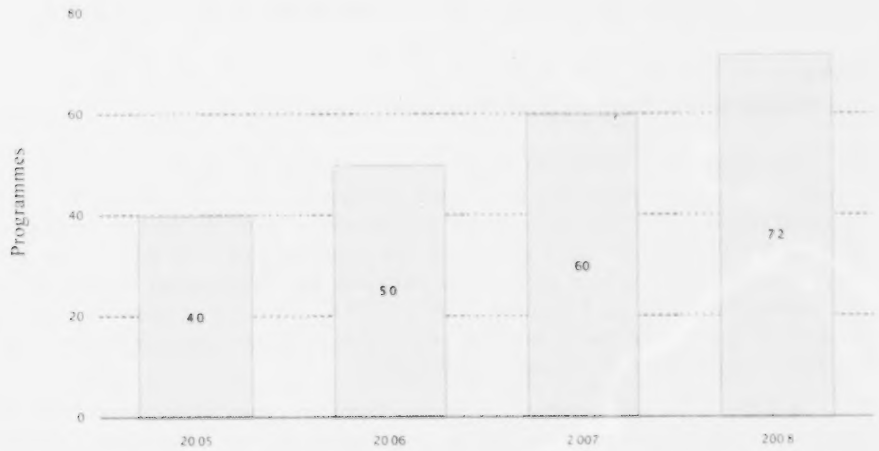
50. UNIFEM capacity to generate proven approaches depends on use of state-of-the-art evaluation practices that align with United Nations Evaluation Group standards. UNIFEM made good progress in this area, finalizing its evaluation strategy, 2008-2011, drafting an evaluation policy and designing gender-responsive evaluation training modules for dissemination in 2009. UNIFEM investment in strategic, high-quality evaluation will continue to grow during the strategic plan period with a view to enabling the Fund to present credible evidence on effective ways to ensure the implementation of commitments to gender equality. In 2008, a meta-evaluation was initiated to analyse 26 evaluations, 9 reviews and 8 assessments/reports conducted by UNIFEM between 2004 and 2008. Eight of these were considered evaluations according to United Nations Evaluation Group standards. One of them was rated "excellent", one "good", five "average" and one "poor". Further efforts to improve the quality of UNIFEM evaluations are a high priority for the organization.

B. Area 2
United Nations coordination and reform

51. In the context of the guidance provided by the triennial comprehensive policy review of operational activities for development of the United Nations system, issued in 2004 and reiterated in 2007, the General Assembly called upon the United Nations system to avail itself of the technical expertise of UNIFEM on gender issues, and encouraged UNIFEM to strengthen its efforts to provide strategic guidance to the United Nations system in the area of gender equality.

52. In 2008, UNIFEM reported expanded participation in United Nations coordination and reform processes at all levels. UNIFEM was engaged in 72 joint programmes, 54 as a participating agency and 18 as the lead agency. At the request of resident coordinators, UNIFEM participates in all of the One United Nations pilots and, in 2008 — in its role as Chair of the United Nations Development Group Task Team on Gender Equality — collaborated with the Resident Coordinator in Viet Nam to convene gender-equality experts from all of the One United Nations pilots for stocktaking. UNIFEM took a leadership role in 32 gender theme groups at the global, regional and country levels; co-chaired an additional 19; and was an active team member in another 7. UNIFEM promoted attention to gender equality in 10 common country assessments/United Nations development assistance frameworks.

Figure IV
UNIFEM participation in joint programmes, 2005-2008



53. UNIFEM prioritized support to United Nations system-wide efforts, participating in the inter-agency task forces convened by the Deputy Secretary-General on gender equality in the context of system-wide coherence and the Secretary-General's "UNiTE to End Violence against Women" campaign and the rule-of-law working group; continuing its stewardship of the United Nations Trust Fund in Support of Actions to Eliminate Violence against Women and hosting the secretariat of United Nations Action against Sexual Violence in Conflict; and co-chairing the working group on programming issues for the United Nations Development Group and participating in the Group's expert teams, including on training resident coordinators to lead common country assessments/United Nations Development Assistance Framework processes. The 17-member United Nations Development Group Task Team on Gender Equality, which UNIFEM chairs, produced an agreed set of performance indicators on gender equality for United Nations country teams endorsed by Group members and distributed by the Chair of the Group to all resident coordinators.

C. Area 3
Accountability, risk and oversight

54. In 2008, UNIFEM addressed the management issues of accountability, risk and oversight by strengthening its capacity to track results and continuing the phased delegation of authority of operational and programmatic business processes from headquarters to subregional offices and from headquarters operations to headquarters geographic and thematic sections.

55. The groundwork has been laid for a computerized results-based tracking system to strengthen internal capacity for planning and institutional development. Two operations and programme capacity-building workshops were held, in which 85 staff members from national and subregional offices participated. Post-workshop assessments demonstrate that capacity-building efforts are resulting in greater efficiency and improved quality. UNIFEM is decentralizing its strategic functions while strengthening its monitoring and auditing capacity, instituting, for example, internal control frameworks in each of its 15 subregional offices. In addition, 9 subregional offices were audited in 2007-2008. An audit risk model for UNIFEM has been developed to guide and prioritize internal audits.

D. Area 4
Administrative, human and financial capacities

56. This output area tracks the extent to which UNIFEM has the administrative, human and financial capacities to respond to requests for technical expertise and financial support. UNIFEM strengthened its financial systems in 2008 by upgrading to Atlas 9.0 and introducing a system to link financial data with programme and project results in Atlas; and prepared to introduce the International Public Sector Accounting Standards on 1 January 2010. UNIFEM is putting systems in place to track the length of time that administrative and human-resource actions require, with the goal of improving both timeliness and quality.

57. In 2008, UNIFEM continued to receive financial contributions from bilateral donors, as well as non-traditional donors, including national committees, private foundations and the private sector. Contributions from national committees increased by nearly 200 per cent. Increasingly strong partnerships with private sector and foundation partners resulted in $4.6 million in contributions.

E. Gaps and challenges

58. While the tracking of performance against the UNIFEM management results framework registered progress in 2008, first-year reporting and review suggest that systems and knowledge should be enhanced to improve performance in a number of areas:

(a) UNIFEM will respond to gaps identified by strengthening documentation/guidance on the "how to" of advocacy for gender equality; more rigorously evaluating catalytic initiatives to stimulate replication; and developing an explicit UNIFEM strategy on capacity development;

(b) UNIFEM needs to invest in cost-benefit analyses of its role in United Nations coordination and reform mechanisms in order to increase the knowledge of where financial and human resources are most effectively invested; develop a strategy to prioritize engagement in the 90 countries implementing United Nations development assistance frameworks for 2009-2011; and work with United Nations organizations to support the "delivering as one" pilot countries to deliver on gender equality and continuously assess progress;

(c) While there has been notable progress on the delegation of authority to subregional offices in operational areas, there is a corresponding need for greater clarity and investment in oversight quality assurance and risk management. The annual report documents progress in risk management, including audit and follow-up, but responsibilities, accountabilities and standardized systems and procedures for oversight need to be prioritized;

(d) UNIFEM needs improved reporting and tracking of quality of performance and timeliness of procurement, recruitments and donor reporting.

V. Integrated resources framework

59. UNIFEM increased its total contributions by 18 per cent in 2008, with total resources received amounting to $121 million, including regular (core) resources of $51 million, and contributions to UNIFEM trust funds of $5 million. Core resources exceeded projections by $5 million, or 10 per cent, and other (non-core) resources exceeded projections by $38 million, or over 100 per cent. In 2008, UNIFEM instituted the practice of reporting separately on the UNIFEM-administered United Nations Trust Fund in Support of Actions to Eliminate Violence against Women, which received $18.3 million (compared with $15.9 million the previous year). Late in December, UNIFEM received a $65 million contribution from the Government of Spain to launch a new "gender-equality fund". Total UNIFEM resources grew despite the worldwide economic crisis and losses due to exchange-rate fluctuations that increased the value of the dollar, particularly against the euro and other currencies of main donors.

60. The number of countries contributing to regular and other UNIFEM resources increased from 49 in 2007 to 80 in 2008. Contributions from UNIFEM national committees increased in 2008 by 191 per cent over 2007. Those contributions, amounting to more than $1.2 million (including a contribution of $772,960 from the Icelandic National Committee), demonstrate that there is potential to increase contributions from those and other non-traditional donors as part of the UNIFEM emphasis on diversifying its donor base, which is also reflected in the resource mobilization framework, 2008-2011.

61. Expenditures of regular resources in 2008 amounted to $42.3 million, representing an increase of $20.9 million — almost double expenditure and delivery in the previous year. UNIFEM delivered 80 per cent of regular resources by the fourth quarter of 2008. Its total expenditures for 2008 (regular and other resources) reached $93 million, an increase of $28.7 million, or 44 per cent, over the 2007 total of $64.3 million. The percentage of delivery for cost-sharing resources was lower — 66 per cent — due to receipt of nearly 50 per cent of all cost-sharing resources in the third and fourth quarters of 2008.

VI. Recommendations

62. The UNIFEM Consultative Committee, which comprises five Member States (Estonia, Chile, the Republic of Korea, Norway and the Sudan) appointed by the President of the General Assembly, provides key recommendations to the organization each year. At its forty-ninth session on 17 and 18 March 2009, during which it reviewed the work of the Fund in 2008, the Committee made the following recommendations:

The Committee welcomed the appointment of the Executive Director and expressed great appreciation to the Executive Director and the staff of UNIFEM for their work in the past year and made the following recommendations, designed to enhance the Fund's programming and organizational effectiveness.

The UNIFEM Consultative Committee:

1. *Emphasizes* that UNIFEM is an essential component of the United Nations gender architecture, recommends that UNIFEM continue to be actively involved in the processes leading to a stronger and more coherent United Nations architecture for gender equality and empowerment of women, and in this respect welcomes General Assembly resolution 62/277, which, inter alia, aims at taking substantive action in this regard during the sixty-third session of the General Assembly;

2. While *commending* the new reporting format, requests that UNIFEM continue to report to it annually on the strategic plan, emphasizing the links between the inputs, outputs and outcomes and lessons learned, and tracking progress against the baseline according to the key results and indicators, including how it has utilized the Convention on the Elimination of All Forms of Discrimination against Women as a basis for programming, and further commends ongoing efforts to ensure complementarity in the implementation of the strategic plans of UNIFEM, UNDP, UNFPA and UNICEF;

3. *Welcomes* the Fund's ongoing active participation in the One United Nations pilots to ensure that a gender perspective is fully integrated and encourages its contribution to the evaluation of the "delivering as one" initiatives;

4. *Encourages* UNIFEM to continue to cooperate with all relevant United Nations entities to further promote gender equality and the empowerment of women, continues to believe that UNIFEM should participate in the High-level Committee on Programmes, the High-level Committee on Management, the Executive Committee on Humanitarian Affairs, the Executive Committee on Peace and Security and the Inter-Agency Standing Committee, and especially recommends that UNIFEM be granted access to the United Nations System Chief Executives Board for Coordination to make an input from the gender-equality perspective;

5. *Encourages* UNIFEM to actively participate in the processes of the 15-year review of the implementation of the Beijing Declaration and Platform for Action, the 10-year review of the Millennium Development Goals and the 30-year review of the Committee on the Elimination of Discrimination against Women with a view to providing input on the basis of its experience;

6. *Stresses* the importance of the Fund's input into the work of the Commission on the Status of Women and encourages UNIFEM to actively participate in the follow-up to the outcomes of the Commission, as appropriate;

7. *Commends* the Fund's leadership of the United Nations Development Group (UNDG) Task Team on Gender Equality in the development and adoption of the Group's performance indicators for United Nations country teams, welcomes the Fund's work as the Chair of the United Nations Development Group working group on policy issues and encourages UNIFEM to continue to contribute to the strengthening of the United Nations country team coordinated support to countries to advance gender equality and women's empowerment;

8. *Encourages* UNIFEM to continue its work in supporting the implementation of Security Council resolution 1325 (2000) on women and peace and security;

9. *Welcomes* the gender-equality perspective in the Doha Declaration on Financing for Development, and encourages UNIFEM to continue to play an active role in the United Nations financing for development process;

10. *Recognizes* the impact of the financial and economic crisis on women and girls, and encourages UNIFEM to be an advocate for a gender perspective in the response of the United Nations development system to the crisis;

11. *Encourages* UNIFEM to continue to strengthen its work in support of gender-responsive budgeting;

12. *Further encourages* UNIFEM to continue cooperation with relevant regional organizations and looks forward to the first report of the assessment of this collaboration at an upcoming intersessional meeting in 2009;

13. *Welcomes* the continuing work of the UNIFEM Goodwill Ambassadors and takes note with appreciation of the positive impact of their activities;

14. *Commends* the Fund's ongoing advocacy campaign "Say NO to Violence against Women" in support of the Secretary-General's multi-year campaign "UNiTE to End Violence against Women" and its participation in other inter-agency coordination efforts to end violence against women;

15. *Commends* UNIFEM for having surpassed the projections identified for resource mobilization in 2008 and the expansion of its partnerships with bilateral donors, civil society and private sector partners, and encourages the Fund to continue to broaden its resource base and to seek stronger partnerships in order to meet the resource mobilization targets in its strategic plan, 2008-2011;

16. *Recommends* that the Executive Director exercise the option to reduce up to a maximum of three percentage points from the percentage share in regular (core) resources of any under-delivering programme category or geographic region and reallocate the same amount to better performing geographic regions and categories, as appropriate, while ensuring compliance with the approved resource allocation over time;

17. *Requests* UNIFEM to provide an analysis of the criteria for resource allocation for a review of these by the Consultative Committee at an intersessional meeting and its inclusion as an annex to the report on the implementation of the strategic plan for the annual session of the UNDP/UNFPA Executive Board;

18. *Recommends* that the UNIFEM Executive Director be able to exercise her authority to approve UNIFEM programme and project amounts in line with the delegated authority within UNDP and in accordance with the instrument of delegation of authority to the UNIFEM Executive Director issued by the UNDP Administrator;

19. *Notes with appreciation* the establishment of the Fund for Gender Equality and looks forward to its effective operation;

20. *Acknowledges* the work of UNIFEM as manager of the United Nations Trust Fund in Support of Actions to Eliminate Violence against Women and emphasizes the importance of retaining its open nature and competitive process for selecting grantees;

21. *Decides* to convene intersessional meetings in 2009 as needed.

United Nations A/64/165

General Assembly

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General Assembly
Sixty-fourth session
Items 24 and 40 of the provisional agenda*

Question of the Falkland Islands (Malvinas)

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Letter dated 21 July 2009 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General

In accordance with instructions from the Government of the United Kingdom of Great Britain and Northern Ireland, I have the honour to refer to the letter dated 10 June 2009 from the Permanent Representative of Argentina addressed to you (A/64/90) regarding references to the Falkland Islands made in the United Kingdom's contribution to the report of the Secretary-General on the implementation of decolonization resolutions adopted since the declaration of the First and Second International Decades for the Eradication of Colonialism (A/64/70).

The United Kingdom firmly rejects the assertion by the Government of the Republic of Argentina that the Falkland Islands and South Georgia and the South Sandwich Islands, and the surrounding maritime areas, are an integral part of Argentine national territory.

The United Kingdom has no doubt about its sovereignty over the Falkland Islands. The principle of self-determination, enshrined in the Charter of the United Nations, underlies our position on the sovereignty of the Falkland Islands. There can be no negotiation on the sovereignty of the Falkland Islands unless and until such time as the Falkland Islanders so wish. The Islanders regularly make it clear that they wish the Islands to remain under British sovereignty. The right of the people of the Falkland Islands to determine their political future was freely exercised throughout the negotiation of the new Falkland Islands Constitution, which came into force on 1 January 2009. The United Kingdom further rejects the assertion by the Government of the Republic of Argentina that the Falkland Islands Constitution that came into force on 1 January 2009 shows disregard for any General Assembly resolution.

* A/64/150

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Please recycle

In reference to the inclusion of information pertaining to the Falkland Islands in the report of the Secretary-General on the implementation of decolonization resolutions adopted since the declaration of the First and Second International Decades for the Eradication of Colonialism (A/64/70), the United Kingdom submitted to the Secretariat a paper which sets out the position of the United Kingdom and its Overseas Territories for inclusion in the Secretary-General's report. This is in line with the United Kingdom's policy of informal cooperation with the Special Committee of 24 on Decolonization, without prejudice to its view that none of the UK Overseas Territories should remain on the United Nations list of Non-Self-Governing Territories. The United Kingdom notes that the Russian Federation also makes reference to the Falkland Islands, as well as various other territories, in its contribution to the report of the Secretary-General referred to above (A/64/70).

I should be grateful if you would circulate the text of the present letter as a document of the General Assembly under items 24 and 40 of the provisional agenda.

(*Signed*) John **Sawers**

United Nations A/64/166

General Assembly

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Sixty-fourth session
Item 131 of the provisional agenda*
Pattern of conferences

Evaluation of the integrated global management initiative of the Department for General Assembly and Conference Management

Report of the Office of Internal Oversight Services

"IGM is still a work in progress; to date its major anticipated organization-wide benefits have not materialized"

Summary

The integrated global management initiative was launched in 2004 with the goal of improving the performance of the Department for General Assembly and Conference Management. It was conceived as a collaborative norm-setting enterprise involving conference-servicing entities at United Nations Headquarters in New York, the United Nations Office at Geneva, the United Nations Office at Nairobi and the United Nations Office at Vienna.

The Office of Internal Oversight Services (OIOS) found that there had been no precise or consistent articulation of the initiative's objectives, assumptions about causality or implementation risks. Likewise, no specific measurable goals and targets had been set in explicit reference to it. Nevertheless, the Department has since implemented a wide range of operational activities relating to the initiative that involve a large number of staff at Headquarters and the other duty stations. With respect to the achievements made in connection with the initiative, staff members cite numerous collaborative initiatives and activities implemented over the past several years, as well as greater knowledge of their colleagues' circumstances at other duty stations, than they had before. OIOS found that, indeed, over time integrated global management reporting displaced the prior agenda and reporting series on Department reforms.

* A/64/150.

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In practical terms, work to implement the initiative was undertaken on two tracks that, although distinct, overlapped in terms of time and membership:

- The preparation, during the 2005-2007 period, of the compendium of administrative policies, practices and procedures for conference services, a task that entailed the work of nine separate task forces
- The establishment in 2006 of the integrated conference management system and the information technology governance board as an umbrella framework for the development of three information technology systems (global projects I, II and III) relating to:
  - Integrated reporting ("statistical warehouse")
  - Meetings planning and servicing
  - Documentation planning and processing

The compendium captured a key set of norms and standards applied by the duty stations, but its emphasis was more on administrative definitions and workload expectations. While OIOS notes the merit of documenting these, it also finds that the exercise did not result in any significant harmonization of business practices; rather, it highlighted the differences among the duty stations. After the first version of the compendium was published, the focus of the initiative became the global information technology projects. OIOS finds that one shortcoming of those projects was that they did not start with a clear commitment to the standardization of work processes. OIOS finds also that the fact that the primary focus of integrated global management implementation was on the global information technology projects, discussions on which were often cast in terms of programming languages, software vendors and applications and in-house versus external information technology expertise, may have led to the inadvertent displacement of crucial debate and decision-making on issues of internal workflow management and functional reform. Such problems certainly cannot be solved by information technology specialists.

Staff members from all duty stations put a significant amount of time into the global information technology projects. However, to date, none has yet been fully completed. Although a common software for the scheduling of meetings, e-Meets, was introduced during that time, it is not actually a product of the initiative. The "Carbon" system has yet to be introduced. As was the case prior to the initiative, the duty stations rely on separate information technology systems and platforms for different pockets of professional practice. Few benefits have been reaped by way of better management of information and reporting tools, standardized procedures and processes, or real-time global access to data.

At the same time, the instruction by the General Assembly that the initiative be implemented with due regard to respective duty station specificities involves a limitation with respect to the desirability of the standardization of disparate work practices, processes and modalities of client engagement. In pursuing the initiative, the Department for General Assembly and Conference Management never provided a concrete elaboration of how it would reconcile the accommodation of duty station specificities on the one hand with the aim of the standardization of work practices on the other. The initiative may thus ultimately have served to illuminate rather than to resolve differences between duty stations.

As duty stations are tasked with catering to a local constituency of client bodies, there are few formal incentives for sharing capacity. Although collaboration occurs informally through professional peer networks, the systems of staff and resource management do not easily accommodate a reconciliation of the costs and benefits of such capacity-sharing. The Under-Secretary-General for the Department has budgetary responsibility for all four duty stations. However, in practice there is little room to allocate funds across duty stations and outside of New York. The Under-Secretary-General also lacks any formal control over staff members. In these important respects, since 2004 there has been no progress or change.

The statistical data that the Department maintains on service delivery reside with the individual duty stations. The data embeds their respective differences in definitions. Data on service-delivery performance is inconsistent in terms of quality, comparability and reliability.

With regard to the financial savings achieved through the implementation of the initiative, at the aggregate level none are evident to OIOS on the basis of the data made available by the Department. Since 2004, neither total cost nor total volume of conference-service delivery has significantly changed. Thus, while the global information technology projects are still ongoing, to date it has not been possible to identify any "full-system" benefits.

OIOS makes five recommendations for consideration by the Department for General Assembly and Conference Management and the General Assembly.

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I. Introduction

1. In response to a request from the Under-Secretary-General for General Assembly and Conference Management, the Inspection and Evaluation Division of the Office of Internal Oversight Services (OIOS) undertook an independent evaluation of the integrated global management initiative during the period from March to June 2009. The request for OIOS evaluation is in line with section III, paragraph 4, of General Assembly resolution 63/248. The final report incorporates the comments received from the Department on the draft report of 30 June 2009. Where appropriate, DGACM comments are reflected in italics.

2. OIOS notes that, through its former change management consulting unit, it was a party to the original formulation of the integrated global management initiative. The function has since been transferred from OIOS to the Department of Management.[1] As a condition of accepting the request from the Department for General Assembly and Conference Management to undertake the current evaluation, OIOS clearly established with the Department that the work would not be undertaken in the manner, or with any obligations to the modality, language and findings, of the prior engagement on the topic of the integrated global management.

3. Insofar as the initiative is a general management approach or paradigm without a corresponding framework involving a prior understanding of how its success will manifest itself, its effectiveness, or lack thereof, cannot be easily evaluated. OIOS notes that the implementation of the initiative has been constrained by many factors beyond the Department's control; for example, factors pertaining to mandated organizational structures and authority, constraints related to overall resources, and organization-wide human resources and expenditure-management practices. OIOS recognizes that the gestation period for the attainment of the initiative's goals may be longer than the time span of implementation to date and that the conduct of a further independent evaluation at a later stage may be warranted.

4. By way of a final introductory note, OIOS acknowledges the general validity of the comment made by the Department for General Assembly and Conference Management, as set out below:

> *It is in general readily acknowledged that reform processes in large organizations take considerable time and effort, come at significant financial cost and yield results in an incremental rather than spectacular fashion. In the case of the integrated global management, it would be fair to note ab initio that it was launched under severe constraints, e.g., all "normal" work had to continue, and very little in the way of dedicated (financial or human) resources was made available for its implementation.*

A. Background: the Department for General Assembly and Conference Management and the integrated global management

5. Under the overall direction of the Committee on Conferences,[2] to which the Department for General Assembly and Conference Management, through the

[1] Effected in 2007 pursuant to General Assembly resolution 61/275, further to its consideration of A/60/883.

[2] Further to General Assembly resolution 43/222 B.

Secretary-General, reports annually on the pattern of conferences, the mandated functions of the Department include,[3] inter alia, the provision of technical secretariat and conference-servicing support to the General Assembly, the Economic and Social Council, the Security Council and their committees and subsidiary organs, a number of ad hoc intergovernmental bodies, special conferences, expert bodies and meetings held at United Nations Headquarters, in New York, at the United Nations Office at Geneva, the United Nations Office at Nairobi and the United Nations Office at Vienna. At each of these four duty stations, there are three different subprogrammes[4] involved in conference-servicing work: planning and coordination of conference services; documentation services; and meetings and publishing services.

6. The Department for General Assembly and Conference Management is one of the largest Secretariat departments, accounting for approximately 15 per cent of combined Secretariat regular budget appropriations for 2008-2009[5] and comprising a total of more than 2,000 staff. For the 2008-2009 biennium, the Department's total programme of work was estimated at a total of $620.8 million (see A/62/6 (Sect. 2)). Headquarters and the United Nations Office at Geneva are the largest duty stations providing conference-management services, with 55.6 per cent of the Department's budget appropriated to Headquarters and 32.9 per cent to conference management in Geneva. The Vienna and Nairobi Offices are the smaller duty stations in the Department family and, have 7 per cent and 2.7 per cent respectively, of its programme resources appropriated to them. Beyond the four Department duty stations, there is a further tier of Secretariat duty stations, notably the regional economic and social commissions, with more limited conference-service activity, at which some calendar meetings are held and where General Assembly-mandated documentation and meetings management standards nevertheless variably apply (e.g., pertaining to the principle of equal treatment of all official languages of the Organization) (see General Assembly resolution 42/207 C).

7. In December 2001, in its resolution 56/253, the General Assembly requested the Secretary-General to ensure that conference services are managed in an integrated manner throughout all duty stations in the Organization. In the Secretary-General's response, in 2002 (A/57/289), the integration of global management was an initiative proposed in pursuit of improved performance by the Department for General Assembly and Conference Management and "full-system" benefits. Simultaneously, the objectives of a more integrated and proactive approach to the planning and management of meetings and documentation became embedded in the broader programme of organization-wide reforms proposed by the Secretary-General.[6] Building further on Assembly resolution 57/283 B, in 2003 the Secretary-General reported[7] on the reforms undertaken by the Department and initiated a major study on the integrated global management, to be undertaken in consultation with OIOS and with the cooperation of all four duty stations. The ensuing consulting report, completed in 2004, represented the first comprehensive articulation of the term "integrated global management" in the context of the Department.

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[3] See ST/SGB/2005/9.

[4] Corresponding to subprogrammes 2, 3 and 4 of the programme of work projected in the programme budget, most recently A/64/6 (Sect. 2).

[5] See resolution 62/237.

[6] See A/57/387, paras. 102-108.

[7] See A/58/213.

B. Evaluation scope and methodology

8. In accordance with the OIOS mandate,[8] the objective of the current evaluation was to assess, as systematically and objectively as possible, the relevance, efficiency and effectiveness (including impact) of the integrated global management initiative. In conducting evaluations, the Inspection and Evaluation Division of OIOS adheres to the norms and standards of the United Nations Evaluation Group.[9] OIOS utilized a combination of qualitative and quantitative data-collection methods, including the following sources:

(a) In-depth interviews with 191 Department staff, including management, at Headquarters and the Geneva, Vienna and Nairobi Offices; author department and Member State clients at the respective duty stations; and representatives of regional commissions;

(b) Direct observation of videoconferences and teleconferences and meetings of the Department's management, information technology governance board and task forces;

(c) Review of the available workload statistics for the 2004-2008 period pertaining to each duty station and branch of service;

(d) In-depth document review of mandates, logical frameworks and budget fascicles, as well as other official and non-official documents pertaining to details and summary records on operational work planning, management and reporting.

9. The evaluation also incorporates elements of an analysis from a recently completed OIOS audit of information and communications technology governance and security at the Department for General Assembly and Conference Management.[10]

10. OIOS is unable to vouch for the accuracy and veracity of the data provided by the Department. In the case of operational workload statistics, OIOS recognizes that the data provided embed definitional assumptions and observational variances that vary from one duty station to another. In addition, some data seem inconsistent with data on the Department published in other sources, resulting in OIOS having some reservations about the quality of the data provided by the Department.

11. OIOS notes that the evaluation has a limitation arising from the short time frame within which the exercise had to be conducted in order to enable reporting to the Committee on Conferences during the sixty-fourth session of the General Assembly. OIOS, while unable to undertake primary data collection in each substantive service area in every duty station in a manner as in-depth as would be ideal, is nevertheless satisfied that there exists sufficient evidential basis for the independent evaluation findings, conclusions and recommendations.

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[8] OIOS undertakes its evaluations in reference to General Assembly resolutions 48/218 B, 54/244 and 59/272 and ST/SGB/2002/7.

[9] See the standards for evaluation in the United Nations system and the norms for evaluation in the United Nations system, United Nations Evaluation Group, 29 April 2005, available at http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4.

[10] OIOS audit of information and communications technology governance and security at the Department for General Assembly and Conference Management, assignment No. AT/2008/550/01, 19 March 2009.

II. Findings

A. Raison d'être and design

12. The work of the Department for General Assembly and Conference Management is central to the mandate and functioning of the United Nations as a forum for the deliberations of Member States on global affairs. The conference-servicing facilities and documentation provided by the Department represent the most direct contact that many Member States have with the formal and official work of the Organization.

13. The 2004 consulting report focused on how to integrate and manage globally the four duty stations that provide conference services under the guidance of the Department. The integrated global management approach was aimed at overcoming "inconsistencies" pertaining to the locus of authority in the Department for policymaking and conference management, and in particular the challenges of reconciling the simultaneous demands for centralization and decentralization. Further, the report noted that the demand for conference services was inconsistent throughout the calendar year and that integrated global management held the promise of ironing out the peaks and valleys of the demand for and provision of services (see A/59/133 and Corr.1).

1. Integrated global management is associated with a wide range of activities

14. OIOS notes that there is wide recognition by Department staff of the underlying conference-management goals and the relevance of integrated global management and finds that the staff have brought great commitment, professionalism and good faith to the efforts that they invested in integrated global management. OIOS takes note of examples of achievements related to integrated global management as included in the comments submitted by the Department:

(a) *The implementation of the common roster for contractual translation;*

(b) *The elaboration and entry into force of the compendium of practices;*

(c) *Global waiver management;*

(d) *Lateral transfers;*

(e) *Global document slotting system;*

(f) *Staff exchanges;*

(g) *International Organization for Standardization standards of sustainable publishing, development of full digital (print-on-demand) printing, automatic parliamentary document formatting;*

(h) *Workload-sharing;*

(i) *Significantly increased communication, information and experience-sharing among duty stations, and resulting synergies;*

(j) *Direct exercise of the authority of the Under-Secretary-General in matters relating to the elaboration and allocation of budgetary resources across all duty stations.*

15. OIOS accepts the above as a reflection of what staff associate with integrated global management and reverts to several of these items in the course of its ensuing findings. OIOS emphasizes, however, that the essential value-added that OIOS, as an independent oversight body, brings is the critical focus not on activities per se, but on the extent to which they have translated into wider change in line with original expectations and intended outcomes.

2. Operational goals and targets were never clearly articulated

16. OIOS reviewed reports of the Department for General Assembly and Conference Management and the Committee on Conferences, together with pattern of conferences resolutions relevant to integrated global management and related reforms, and observes that, with respect to the integrated global management initiative, there has been no consistent or precise articulation of its ultimate objectives, assumptions about causality or implementation risks. Likewise, no specific measurable goals or periodic improvement targets have been set in direct reference to it. For stakeholders, the term "integrated global management" invokes many different connotations as regards its ultimate purpose and meaning. In this sense, integrated global management was ill-defined.

17. Regardless of the various formulations, OIOS understands the ultimate objectives of integrated global management to be identical to the goals that the General Assembly has set for conference-management services at large, that is, the attainment of the highest possible level of quality, timeliness, efficiency and cost-effectiveness.[11] These are also mirrored in the Department's reform objectives as stated in its follow-up to the original integrated global management proposal (A/60/112, para. 3). With respect to the underlying outcomes that are directly associated with integrated global management, OIOS finds that a meaningful articulation was given in the 2006 report on pattern of conferences (A/61/129, para. 9), of which OIOS also made use in structuring the findings of this evaluation: the streamlining and optimizing of operations; the sharing of resources and workload; and economies of scale.

18. It is clear that the General Assembly has noted that the performance improvement connotation that goes with the objective of the integrated global management is simultaneously paralleled by the imperatives of "equitable distribution" or "burden-sharing" among duty stations and of adhering to the principle of the equal treatment of official languages. OIOS notes the pivotal caveat placed by the General Assembly in its guidance that the integrated global management be implemented "taking into account specificities of the various duty stations and their functioning in the field of conference services, when enhancing global management" (resolution 57/283 B, sect. II.B, para. 8).

19. OIOS notes that in 2006, the Department began to dedicate a section of its annual report on the pattern of conferences to integrated global management, ceasing its earlier series of annual reports on reform efforts.[12] As corroborated by Department staff in interviews, integrated global management has become the most important reform undertaken since 2004 at the Department.

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[11] Since 2004 these goals have been reflected and reaffirmed in the following General Assembly resolutions: 58/250, 59/265, 60/236 B, 61/236, 62/225 and 63/248.

[12] Most recent reports: A/59/172 and A/60/112.

B. Streamlining of operations

1. The compendium highlighted the diversity of the duty stations

20. When the Department for General Assembly and Conference Management, in 2005, reported on its reforms (see A/60/112), integrated global management was envisioned as a two-year norm-setting enterprise, building on the proposal of the 2004 consulting report that a total of nine task forces be convened to formulate harmonized policies and practices in the areas of (a) the harmonization of statistical indicators; (b) meetings planning; (c) human resources; (d) outsourcing; (e) information technology; (f) budget and finance; (g) documentation and publishing; (h) client orientation; and (i) examinations. The planned output of the task forces was to be a compendium of administrative policies, practices and procedures of conference services that would include written documentation on the harmonized business practices. The compendium was intended to be a "living document" that would be modified as best practices were recognized and business processes settled upon. The task forces worked intensively and succeeded in compiling the compendium, an initial version of which was completed in 2006 and most recently revised in 2007.

21. The compendium provides definitions of and clarifications on a number of important conference-management terms and topics (e.g., pertaining to the workload standards that duty stations apply to language staff). As such, much of the compendium's coverage pertains to administrative and personnel management policies, standards and practices, for which it clearly has merit as a source of reference. Meanwhile, it gives much less coverage to addressing underlying work processes, vertical integration across fields of professional practice or horizontal integration among duty stations. The compendium does not, for example, resolve differences concerning the degree to which duty stations have documents edited before they are translated.

22. OIOS found that, when asked about the compendium's utility, the majority of Department staff members noted that when the compendium was produced, it was of little practical utility. Inexplicably, some staff were unaware of its existence. While the collaboration involved in the exercise was invariably valued, for some the product was viewed to have been "a source of more division than unity". Few staff members in the Department reported using the compendium to inform their work, as it documented only what they already knew. As such, the main effect of the task forces and the compendium may have been to raise awareness of differences rather than to streamline and harmonize business practices.

23. *DGACM commented that the compendium was a work in progress and that its current iteration had been found most useful for its users, for instance, to ensure that data compilation on performance indicators and workload was consistent across duty stations, and in the harmonization of the interpretation of "rules and practices". The fact that some staff members may not be aware of its existence or do not use it on a daily basis does not detract from its value or its impact on the work processes applied by those same staff members.*

2. Global information technology projects have become the focus of integrated global management, although without reform of underlying business processes

24. OIOS found that the nine task forces and the compendium process transitioned into a set of three global information technology projects under the umbrella of the integrated conference-management system, launched in 2006 following the recommendations of the study undertaken by Dalberg Global Development Advisers,[13] aimed at improving the integration of business processes and applications across the four duty stations. This was accompanied by the simultaneous establishment of the information technology governance board, with a view to coordinating, streamlining and standardizing conference processes across the four duty stations, thus promoting interoperability and efficiency (A/62/161, para. 9). The three projects are:

- Project I: integrated reporting ("statistical warehouse"), led by the United Nations Office at Vienna and Headquarters
- Project II: meetings planning and servicing, led by the United Nations Office at Vienna
- Project III: documentation planning and processing, led by the United Nations Office at Geneva.

25. OIOS found that much time and effort had been spent on the three projects. The assigned duty stations currently see the conclusion of the projects to be within reach, but recognize that there have been varying degrees of progress to date. Project I, originally perceived as the easiest of the projects, was aimed at extracting the information needed by Headquarters from the existing information technology systems used at the four duty stations, thus easing their manual reporting burden. To date, it has not been completed. The fact that there is no centralized data available for current evaluation is testimony to the lack of progress on project I. OIOS understands that a Monitoring, Evaluation, Risk Management and Statistical Verification Unit has been established within the Department, which may address issues relating to the reliability and consistency of data.

26. Project II has been partially completed. Its goal was for all duty stations to use the same software to schedule meetings. The e-Meets system has since been adopted by all duty stations. However, e-Meets precedes integrated global management, and the "Carbon" system that has been under development under project II has yet to be deployed. Meanwhile, e-Meets does not provide any linkage to document management processes.[14] Moreover, OIOS notes that e-Meets does not provide interconnectivity of duty station schedules.

27. Project III was and remains the greatest challenge, as it addresses the most complex set of issues and related obstacles. Document processing and planning is the area in which the Department has the greatest potential for reform and productivity improvements, but it requires some form of integration — vertically, within duty stations, or horizontally, across the duty stations. OIOS notes that, in the key area of document processing and planning, the Dalberg report listed three

[13] Global information technology project of the Department for General Assembly and Conference Management, final report, Dalberg, 19 August 2006.

[14] Other than as noted with regard to the configuration by the United Nations Office at Vienna of its DCPMS software.

options: redevelop or somehow combine the then existing platforms;[15] take one duty station's existing software and apply it to other duty stations; or customize an "off-the-shelf" application to meet the needs of the Department.

28. OIOS considers that the lack of guidance provided by those generic options, along with the fact that the more fundamental questions of harmonized business processes and workflow integration were not resolved, contributed to the lack of progress on project III. OIOS finds that an inordinate amount of time has been spent on discussions about the relative merits of off-the-shelf software versus customization and in-house versus external information technology expertise, resulting in a diversion of efforts to deal with the underlying substance of workflow practices. A recent OIOS audit reached similar conclusions, noting that the lack of direction of the global information technology projects had resulted in the waste of both resources and time: "The Department for General Assembly and Conference Management drew plans ... which were both overly ambitious and lacking a sufficiently detailed programme and cost planning. As a result, the integrated conference management system development project entailed time and budget overruns".[16]

29. OIOS concludes that the lack of harmonization of business practices is the principal impediment to the development and/or implementation of shared information technology solutions. In pursuing integrated global management, the Department for General Assembly and Conference Management never provided a concrete elaboration of how it would reconcile the request made by the General Assembly in its resolution 57/283 B that it be implemented with due regard to respective duty station specificities on the one hand with the aim of the standardization of work practices on the other. The underlying reasons for information technology remaining on separate duty station platforms are thus the same as those that have impeded integrated global management more broadly. There is no overarching justification or clear practical benefits for duty stations to invest time and resources in the development of system-wide solutions that are suboptimal in terms of servicing the unique demands of their particular local constituency of stakeholders.

30. OIOS notes that during the course of the evaluation there was much activity in the Department for General Assembly and Conference Management regarding project III. The Department was informed (after consultations with the Chief Information Technology Officer, Office of Information and Communications Technology, and the knowledge management team) that since Documentum has been selected as the document management system for the organization as a whole, any information technology document system installed by the Department would need to be fully compatible with Documentum. Documentum will thus have to function as the "back-end" to the Department's documentation planning and processing needs. Meanwhile, the duty stations have largely ceased interim investment in their existing individual software systems. The e-DRITS system at the United Nations Office at Geneva in particular has not undergone any periodic updating. Meanwhile, Headquarters has continued to develop its documentation

[15] The Documents Control and Productivity Monitoring System (DCPMS) at the Vienna and Nairobi Offices; e-DRITS at Geneva and e-Doc at Headquarters.

[16] OIOS audit report, Internal Audit Division: 09-0203, "Audit of information and communications technology", para. 13.

planning and processing system, e-Doc. The Vienna and Nairobi Offices have been utilizing the Documents Control and Productivity Monitoring System (DCPMS), which has been adequately maintained to serve their "small duty station" needs. OIOS notes that both e-Doc and e-DRITS use the "Magic" programming language and sees no reason why those two duty stations should not be able to make a choice between the two systems, notwithstanding differences in their client-servicing needs. Given the introduction of Documentum, there will in any case be a need for developing new documentation planning and processing information technology systems. As an interim solution, there is an opportunity for the Department to consider removing a silo wall and to work towards harmonization, the interoperability of systems and the coherence of generated data.

31. *DGACM commented that project III had provided many lessons learned and that an optimized documentation system would henceforth be pursued through a thorough re-engineering of the underlying work processes in the whole documentation and publishing sector, followed and supported by a comprehensive, state-of-the-art information technology solution.*

C. Sharing of resources and workload

1. Limited efforts have been made to manage the budget in a global manner

32. There have been some limited efforts to manage budgeted resources in a global manner. First, OIOS was informed that the drafting of the budget has been more consultative between Headquarters and the duty stations in recent years than previously. Secondly, the Under-Secretary-General has begun to monitor the expenditures of each duty station throughout the biennium, to consider redeploying some resources to duty stations and to include reclassification of posts proposals in the 2010-2011 proposed budget. For example, in respect of the budget for the biennium 2010-2011, it has been proposed that posts be moved to the United Nations Office at Geneva to strengthen its capacity to service the Human Rights Council. However, as reported by the Secretary-General in 2006, (A/61/129, para. 9), while the Department for General Assembly and Conference Management has been given responsibility for the overall management of conference-servicing resources at the four duty stations, it lacks actual oversight and control over the use of common funds at duty stations other than New York.

2. Geneva and Vienna library services do not belong in the budget of the Department for General Assembly and Conference Management

33. As an aside to the current analysis, but in reference to internal governance arrangements at the level of Under-Secretaries-General and the United Nations budget section as a whole, OIOS takes note of what appears to be the illogical placement in the Department budget fascicle of library services under the Offices at Geneva and Vienna. The library services are, for programmatic and reporting-line purposes, under the Department of Public Information and should accordingly be placed in the budget as such. Alternatively, if the library services at both Geneva and Vienna are to be retained under the Department for General Assembly and Conference Management as the final stage of the overall document-management workflow, the Department should be given full authority to guide and manage accordingly.

3. Dual reporting structure has resulted in the Department for General Assembly and Conference Management having limited authority over duty stations

34. In the Secretary-General's original report and proposal on integrated global management to the General Assembly, the critical challenge to be addressed was defined as "different messages about where authority lies in the conference services network" and in particular the presence of a situation where the Under-Secretary-General for General Assembly and Conference Management is responsible for the budgets and expenditures of all four duty stations, while in practice having little authority over how these funds are spent (see A/59/133 and Corr.1). In this respect, OIOS notes that the situation remains unchanged, namely in that the Offices at Geneva, Vienna and Nairobi are locations with conference-servicing entities that feature in the Department's budget, but are organizationally placed separately within the respective reporting lines of the Directors-General of the United Nations Offices.[17] OIOS finds that since 2004 there has been no change with respect to the ambiguities associated with the Department's dual-governance arrangement.

35. In the centralized approach to governance, the Under-Secretary-General is responsible for all the activities of the Department, for guiding conference management, including with respect to policies, practices, standards and procedures, and for the allocation of resources and the administration of Department activities at all duty stations (ST/SGB/2005/9, sect. 3.3). In this vein, the Under-Secretary-General is responsible for the combined programme budget, section 2, which includes the resource envelope for all four duty stations. On the other hand, Secretary-General's bulletins for Geneva, Nairobi and Vienna set out a decentralized approach, with the conference management division chiefs at duty stations being responsible for day-to-day operations and reporting to their respective Directors-General. That arrangement was recognized as being at the heart of the Department's management challenge at the time when integrated global management was formulated. Since 2004, there has been no change to the reporting line of the conference management division chiefs at the duty stations. The matter of any such change is clearly not within the Department's own authority to resolve. With further regard to the relevance of overall accountability and authority arrangements, OIOS reviewed all the relevant senior management compacts with the Secretary-General and found no evidence of mechanisms for coordination and alignment. For 2008, only one Director-General had included a specific reference to an integrated global management-related initiative.

4. Workload- and capacity-sharing rarely occur

36. OIOS believes that integrated global management could allow for the possibility of workload-sharing by either (a) moving people to the duty stations with higher workloads, for instance through staff loans; or (b) moving work to where staff are located, which is possible primarily in the area of documentation. OIOS found that both of these forms of workload management have been utilized in a limited manner. It also found that the workload-sharing that has occurred between duty stations is often organized by staff members through pre-existing professional networks and informal relationships and is thus not attributable to integrated global management per se. One constraint of workload-sharing noted by OIOS concerns subject-matter technical expertise that is specific to duty stations and the venue of

[17] See ST/SGB/2005/9, ST/SGB/2000/4, ST/SGB/2004/5 and ST/SGB/2009/3.

meetings of specialized entities of the Organization. This places some limits on the quantity of work that can be moved around. Commissioning-entity clients expressed a strong preference for their documents to be translated by local translators who are familiar with the relevant subject matter and with whom they liaise directly. OIOS was informed that the Department for General Assembly and Conference Management has considered using the contractual translation functions at each duty station to workload-share (e.g., to address documentation backlogs and non-priority documentation), but this has not been undertaken to a great extent.

5. Staff loans and lateral transfers

37. OIOS found that the loans and transfers that have occurred are predominantly of language staff; the loans usually involve interpreters, and the transfers either translators or interpreters. Table 1 shows the total number of staff loans between duty stations from 2004 to 2008, since the establishment of integrated global management. The loans peaked in 2005 and declined in 2006, 2007 and 2008. The volume of loans is rather insignificant relative to the Department's overall complement of almost 2,000 staff. Attribution to integrated global management is, again, uncertain; some would presumably have occurred irrespective of the initiative.

Table 1
Department for General Assembly and Conference Management staff loans from duty station to duty station, 2004-2008

2004	*2005*	*2006*	*2007*	*2008*
22	47	26	35	29

38. Table 2 shows the total number of lateral staff transfers between the duty stations from 2004 to 2008, since the establishment of integrated global management. The number has increased in the last few years, but, again, attribution to integrated global management is uncertain, especially in the light of the ageing profile of the language staff of the Department and the fact that an increasingly large number of staff have been reaching mandatory retirement age — hence the increase in vacant posts providing opportunities for transfer. In addition, the posts are usually advertised through the Galaxy system and thus are not an internal departmental integrated global management initiative.

Table 2
Department for General Assembly and Conference Management staff lateral transfers between duty stations, 2004-2008

2004	*2005*	*2006*	*2007*	*2008*
2	5	14	21	17

39. OIOS found that other factors have an impact on staff loans and transfers. Some duty stations preferred to move transportable documentation for processing at another duty station instead of having to incur travel, daily subsistence and potential replacement costs should their own duty station have unplanned needs for service.

Furthermore, the implementation of the performance appraisal system, e-PAS, which has not been applied consistently across the duty stations — the distribution of performance ratings in at least one duty station being "bell-curved" in isolation from ratings given elsewhere — thus represents a potential disadvantage for those who may be interested in applying for transfers to other duty stations.

40. Additionally, as reported to the General Assembly by OIOS in 2008 in its report A/63/94, there is no global approach to managing the recruitment of temporary assistance staff in the language services, as there are still no clear criteria, guidelines or standard operating procedures that could be used by all duty stations for the recruitment and management of temporary assistance staff. Also, owing to the lack of adequate procedures and the consequent lack of transparency and consistency in the rostering and selection of candidates, OIOS was unable to establish whether the process of the recruitment of temporary assistance staff ensured that all language services were given equal treatment and provided with equally favourable working conditions and resources.

6. Differences in work practices and processes at duty stations

41. OIOS found that Department for General Assembly and Conference Management staff were aware of the unique characteristics of each duty station, the clients they serve and how the "specificity" argument applies as a limitation to General Assembly expectations concerning integrated global management. Duty stations' first and foremost focus is on the provision and management of conference services at their own respective locations, according to the needs of their own clients. Any assistance provided to other duty stations should thus occur only after the demands of local clients have been met. Many staff members at duty stations perceive the differences between duty stations in terms of clientele, culture and structure as an insurmountable obstacle to the development of harmonized business practices. One staff member summed it up aptly: "We all do the same mix of things, but with very different emphases". As observed by OIOS through a review of documentary records and as validated by the majority of the testimony obtained from Department staff in interviews, little if any substantial change has occurred in major workflow processes since 2004. This does not mean that the respective service-delivery branches and duty stations did not implement technical adjustments over that period in the manner expected of a professional organization.

42. In terms of volume, the key to the global integration of conference management is a matter of coordination between Headquarters and the United Nations Office at Geneva, as these two duty stations combined represent nearly 90 per cent of mandated conference-management activity. They are also the venues with the most substantial element of "on demand" service delivery, in connection with the Security Council, the General Assembly and the Human Rights Council. Vienna and Nairobi, on the other hand, share the characteristics not just of a smaller relative size, but also of having a very substantial share of their work undertaken in response to a demand for non-calendar events and funded through extrabudgetary resources.

43. The fact that the Vienna and Nairobi Offices derive a large share of their funding from extrabudgetary sources has one important implication for the modality

of how they operate in terms of relating with commissioning entities.[18] At both Vienna and Nairobi, for each meeting, event or document, a total budget will be prepared and a commensurate transfer of funds will actually occur in accordance with the agreed schedule of payments.[19] They monitor costs and resource use throughout the process. As a consequence of the modality that has evolved from their dependence on (or opportunity to benefit from) extrabudgetary resources, those duty stations are, in some ways, more "responsive" to commissioning-entity requirements than Geneva or Headquarters, whose work is more squarely circumscribed by entitlements associated with the regular budget and the calendar.

D. Economies of scale

1. Conference-service system is pressured, but "peaks and valleys" are few

44. OIOS understands that when the integrated global management initiative was launched, the pattern of work at each duty station was marked by distinct "peaks and valleys" in meetings and other activities at the duty stations throughout the year. One of the premises of integrated global management was that it could alleviate these effects by sharing a schedule of meetings and sharing work and resources between duty stations, so that the "valleys" at one duty station could be leveraged to assist in addressing the "peaks" at another. OIOS notes that some "filling up" of the seasonal calendars has occurred in parallel. OIOS was informed by Department management that this may be due in part to the information-sharing and collaboration that has occurred in conjunction with the integrated global management, but is also in part an inevitable corollary of the need to accommodate additional mandated activities of the Organization; however, OIOS was unable to verify that information. Figures I and II below detail the number of meetings by month and duty station for 2004 and 2008, respectively. However, OIOS notes that while Vienna and Nairobi have "smoothed" the monthly distribution of activity, the cycle of meetings has remained fairly similar in New York and Geneva, the implication being that there is little room for work-sharing between these two duty stations.

[18] According to the proposed programme budget for the biennium 2008-2009, the United Nations Office at Vienna had 23.49 per cent reimbursable from the International Atomic Energy Agency, the United Nations Industrial Development Organization and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, while the United Nations Office at Nairobi had 41.1 per cent extrabudgetary.

[19] For all meetings other than those mandated through the calendar of conferences. The United Nations Office at Nairobi outlined this system in "Cost-recovery mechanism: Inter-Agency Meeting on Language Arrangements, Documentation and Publications", IAMLADP/2005/R.8, 8 July 2005.

Figure I
Number of meetings by month and duty station, 2004

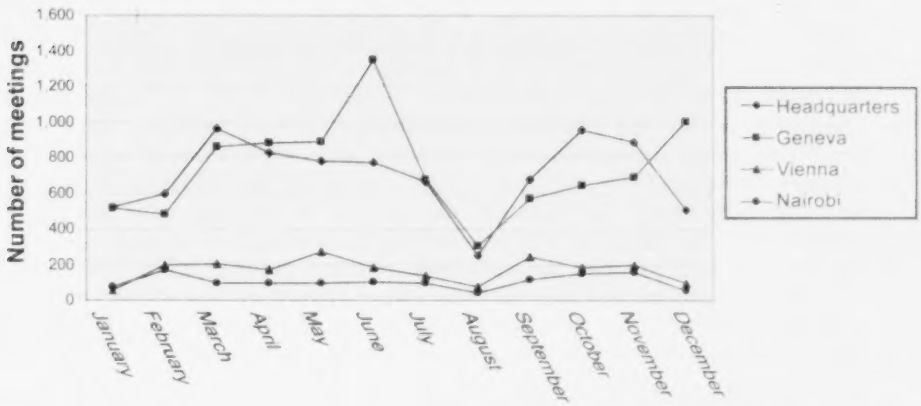
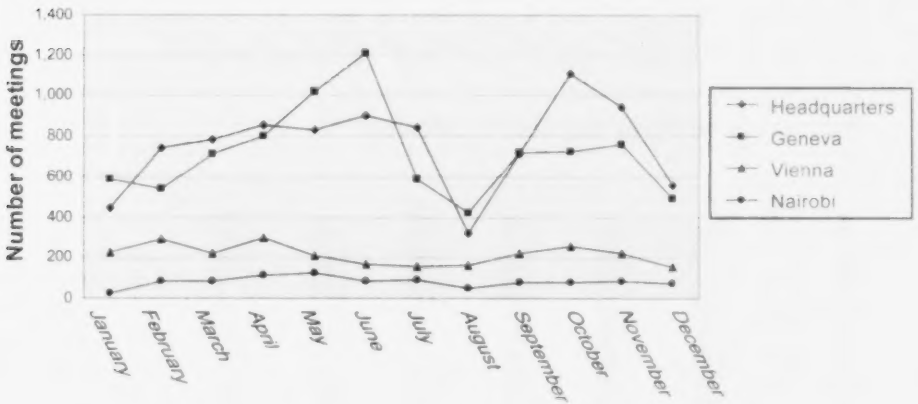


Figure II
Number of meetings by month and duty station, 2008



45. With the exception of Vienna, the number of meetings at duty stations remained stable throughout the period from 2003 to 2008.[20] OIOS found that the data on the number and pattern of meetings imply that one premise of integrated global management, that global management could result in savings by addressing peaks and valleys, was not accurate. The increase in the number of meetings held at Vienna and the small size of the Nairobi Office meant that those duty stations are unable to provide substantial support to Geneva or Headquarters during their peak times.

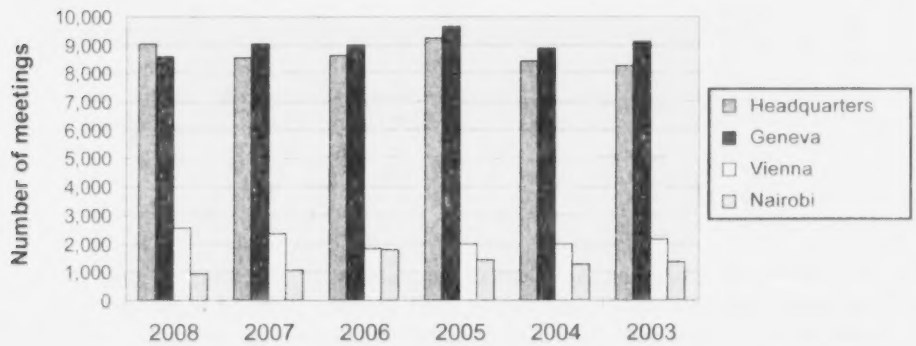
[20] The United Nations Office at Vienna had growth of approximately 20 per cent, from 2,151 meetings in 2003 to 2,570 in 2008.

2. There has been a marginal increase in combined service delivery and some smoothing of calendar "peaks and valleys"

46. By 2008, there were a total of 299 different entities mandated to receive Department for General Assembly and Conference Management services by virtue of inclusion in the annual calendar of conferences.[21] In terms of nominal volume, at the aggregate all-services-combined level, service delivery by the Department for General Assembly and Conference Management has been relatively stable since integrated global management was instituted, as a whole showing only a slight increase during the 2004-2008 period. Furthermore, the data contained in the annex to the present report show that the total number of meetings, with and without interpretation, increased by 4.15 per cent and the total number of pages processed increased by 6.72 per cent. Between 2004 and 2008, the Department reported that overall conference-service utilization rates were slightly up, from 79 to 83 per cent at Headquarters and from 96 to 100 per cent at Nairobi, and slightly down at Geneva and Vienna, from 91 to 88 per cent and from 90 to 87 per cent, respectively.

47. On average, during the period 2004-2008, the Department annually planned and serviced 6,489 meetings with interpretation and 14,822 meetings without interpretation at the four duty stations. For the same period, between all four duty stations the Department also processed, on average, 901,391 pages (see annex). Figure III below details the total number of meetings at each duty station during the period 2003-2008; 2003 data was included to show that the number of meetings remains similar to what it was before integrated global management.

Figure III
Number of meetings by duty station, 2003-2008



48. Beyond the increase in the nominal volume of demand for the work of the Department for General Assembly and Conference Management, OIOS notes the possibility of change in the qualitative complexity of work, for instance with respect to the requirements of entities that are entitled to "on-demand" service, notably with the addition of the Human Rights Council and the universal periodic review in Geneva.

49. The available aggregate service delivery data mask the variances between duty stations and between more specific lines of Department service delivery, but in the

[21] An increase from 288 in 2004 (see A/59/32, A/60/32, A/61/32, A/62/32 and A/63/32).

overall picture there are relative small margins of change. Notwithstanding ample evidence of the time and effort that the Department has spent on task forces, the creation of the compendium and on the global information technology projects, OIOS does not find any evidence to support the notion of integrated global management having brought any overarching full-system savings benefits to the Organization. No doubt the five-year period of observation is fairly short relative to the complex changes that have occurred in the Department arena. With respect to the changes that have taken place in terms of overall service delivery, through, for example, the implementation of "slot dates" for reports at duty stations, multiple factors other than integrated global management will have had an influence. It is likely that some of those changes would have occurred irrespective of integrated global management.

3. "Full-system" benefits, if there are any, cannot be attributed to integrated global management

50. OIOS found that there is no hard data to support the conclusion that any full-system benefits attributable to the integrated global management initiative have occurred. None of the overall measures that OIOS reviewed in reference to the Department's combined service delivery shows a significant increase in the volume of work done during the 2004-2008 period. The sense of improved collaboration cited by many staff members is undoubtedly genuine and also a necessary component of integrated global management, but it is not sufficient to demonstrate success in terms of harmonization or that savings have occurred or otherwise been translated into the fulfilment of goals related to conference management. While the combined volume of service delivery by the Department has been relatively stable, combined resources, meanwhile, increased by a nominal 13.3 per cent from the 2004-2005 biennium to the 2008-2009 biennium, in financial terms.

51. OIOS notes that the Department has reported "performance indicators" in its reports on the pattern of conferences with coverage of select translation and interpretation items in 2007 and a "performance measurement matrix" in its 2008 report (see A/62/161 and Corrs.1 and 2, and A/63/119 and Corr.1). OIOS was unable to ascertain the precise relationship between the performance indicators and matrix on the one hand and integrated global management on the other. Furthermore, workload standards are fixed for many of the staff, including translators, revisers, précis-writers and interpreters, as documented in the compendium, and hence the scope for such performance indicators to increase significantly over time is limited. In fact, a possible unintended consequence of the documentation of the workload standard for those occupations may be that the standards have become both the ceiling and the floor for the workload, with the measurement itself leading to a decrease in morale among those categories of professional staff.

4. Summary workload statistics are of poor quality

52. In terms of enabling a summary comparison of service-delivery trends over time, OIOS finds that much of the data provided by the Department for General Assembly and Conference Management is of questionable quality. First, for several aspects of service delivery, the unit of observation has changed over time, for instance as reflected in the evolving coverage of reports on the pattern of conferences. Secondly, in reporting, each duty station has used definitions that are tailored to the unique features of its work processes. Thirdly, while some service

lines use available objective measures, for others data is based on relatively informal estimates. Finally, with respect to several items, OIOS found that the integrity of records had been compromised, for example through retroactive adjustment, and other discrepancies in record-keeping. The consolidated summary data that OIOS considered relevant to the current exercise was therefore not easily or readily available. The data contained in the annex was thus furnished through separate submissions from each of the duty stations, and those separate submissions at times resulted in varying responses for the same indicator.

53. In addition, OIOS, in reviewing the methodology used by the Department to capture client satisfaction, found that while all duty stations undertake client-satisfaction surveys, there is no standardization between duty stations with respect to the survey instruments or sampling strategies used. If the sampling process is not rigorous, it can be difficult to interpret the meaning of the survey results reported by the Department and impossible to make comparisons between duty stations. For example, in 2008, the Department for General Assembly and Conference Management at Headquarters reported that less than 3 per cent of its clients had been unsatisfied (survey respondents had indicated that Department services were of poor or very poor quality), but Headquarters uses a very passive approach to eliciting feedback from respondents. It is impossible to determine the satisfaction status of those who chose not to respond to the passive survey. In contrast, Geneva in 2007 used a purposive sampling approach and reported on client satisfaction from select clients. Vienna distributes surveys to participants in major meetings. It averages a response rate of 10 per cent and provides feedback to the staff responsible for the meeting. While it uses survey results for programme improvement, there is no evidence that those data are shared with other duty stations. Finally, Nairobi surveys those who participate in meetings with its two large clients and has found that 65 per cent of respondents rate the overall quality of conference services as excellent or good.

54. OIOS also found that while all duty stations elicit feedback from their clients, there is no evidence that the Department uses client-satisfaction data system-wide to make comparisons or to determine best practices at the duty stations. Currently, there is no central database[22] to systematically capture and analyse data. Rather, each duty station independently stores and analyses its own data. OIOS notes that the Department usually seems to use passive convenience sampling for client-satisfaction surveys, an approach that is inherently unreliable and inappropriate for capturing the true degree of satisfaction.[23]

55. *The Department commented that the implementation of integrated global management has highlighted the complexity of data collection, analysis and reporting. The Department's newly established Monitoring, Evaluation, Risk Management and Statistical Verification Unit is already grappling with and addressing the many issues being uncovered. The evaluation provides a welcome reminder of the pressing need to ensure the collection and analysis of credible and coherent data.*

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[22] Project I of the global information technology initiative may provide such a central database, but it has yet to be established and functional; see A/63/119, paras. 13-16.

[23] Convenience sampling occurs when members of the respondent population are chosen based on their relative ease of access, in this case those Member States present and willing to complete a survey.

56. OIOS found that no mechanism or tool had been utilized by the Department to attempt to track any efficiency gains or actual cost savings as part of integrated global management. The notion of any cost savings and/or efficiency gains is claimed by some Department staff members, who note that the Department has functioned in a more global manner since the integrated global management initiative; however, OIOS found that this claim of savings could not be backed by any real figures. OIOS acknowledges that present information technology tools may not be sufficient to fully track savings, but this does not excuse the fact that no attempt has been made to track any savings or efficiency gains.

III. Conclusions

57. Understandably, the focus at each duty station is on the provision and management of conference services according to the needs of their own stakeholder constituency, to whom they are primarily responsible. A corollary is the legitimate position that assistance to the other duty stations can be offered only once the demands of local clients have been met. At the same time, there is no incentive to abandon duty-station-specific practices. Integrated global management has provided an opportunity for the duty stations to collaborate and share information. However, that information-sharing has highlighted the differences between each duty station rather than brought any alignment of practices. In any case, there can be little doubt that integrated global management is still a work in progress; to date, its major anticipated organization-wide benefits have not materialized.

58. The global information technology projects have become the focus of much of the efforts related to integrated global management in the Department, but they have failed to spearhead the work of process reform and alignment at all duty stations. Technology can provide many benefits to the Department and its work and could be a useful tool for the implementation of integrated global management. However, there is a risk to assuming that technology will result in reform. There must be clear direction from leadership concerning the technology to be utilized and the overall expectations and ultimate benefits for the Department as a whole as well as for each duty station; unfortunately, this has not occurred. In order to eventually make integrated global management of United Nations conference management a reality, clear management authority is needed. The dual reporting line tension needs to be resolved, so that there can be a clear line of authority in the Department that can direct all four duty stations.

IV. Recommendations

Recommendation 1

59. **OIOS recommends that the Department for General Assembly and Conference Management be requested to prepare, for consideration by the General Assembly, a renewed articulation of the overarching objective, limitations and operational parameters of integrated global management,** the scope of which may eventually include (see paras. 16-23 and 34-35 above):

(a) The mandate of the Under-Secretary-General for General Assembly and Conference Management versus that of the Directors-General of the Geneva, Vienna and Nairobi duty stations;

(b) The role of conference management in the compact of the Under-Secretary-General with the Secretary-General, and consistency of conference management in Director-General compacts;

(c) The desirability of service-delivery standardization among duty stations;

(d) The role of integrated global management in conference-management reform and the development intentions of the Secretary-General.

Recommendation 2

60. **Subject to consideration by the General Assembly of the recommendation above, OIOS recommends that the Department commence preparation of an eventual comprehensive and detailed strategy for integrated global management,** the scope of which may eventually include (see paras. 16-35):

(a) A review of lessons learned and good work practices at different duty stations, and the identification and prioritization of workflow practices to be subject to standardization or harmonization;

(b) The reporting lines, roles and responsibilities of an integrated Department, including the conference managers' meeting and the information technology governance board;

(c) A timetable and transition arrangements for migration to a common information technology platform;

(d) The eventual extension of integrated global management to the wider Secretariat duty-station network;

(e) The status of, and a plan for updating, the compendium.

Recommendation 3

61. **OIOS recommends that the Department, in collaboration with the Office of Programme Planning, Budget and Accounts, conduct a review, for consideration in the context of the forthcoming enterprise resource planning system, of the relevance, feasibility and implications of eventual future budgeting and expenditure management practices of the Organization, drawing upon the experience gained by the United Nations Office at Vienna and the United Nations Office at Nairobi with regard to the principle of price-setting, accounting, funds transfer and/or other reconciliation of funds pertaining to: (a) the commissioning entities' use of calendar as well as non-calendar conference-management facilities and (b) workload- and capacity-sharing among duty stations (paras. 36-43).**

Recommendation 4

62. **OIOS recommends that the Department for General Assembly and Conference Management, in collaboration with the Office of Programme Planning, Budget and Accounts, the Department of Public Information and other relevant Secretariat officials, articulate the merits of the General**

Assembly consideration either to move library services at Geneva and/or Vienna from the Department for General Assembly and Conference Management, section 2 of the programme budget, to the Department of Public Information (sect. 27), under whose functional guidance and substantive supervision the service currently operates; or, alternatively, that library services be placed under the authority of the Under-Secretary-General for General Assembly and Conference Management (para. 33).

Recommendation 5

63. **OIOS recommends that the Department should consider, after due cost-benefit analysis, interim information technology arrangements that would reduce both the resources spent and the proliferation of silo applications and utilize any existing applications so that efficiencies and cost savings are achieved (paras. 24-31).**

64. *The Department commented that the cost-benefit analysis of such an initiative is accepted and hopes that the development of a new document-management workflow can be conducted in a span of time sufficiently short to obviate the need to introduce yet another generation of discrete document-management systems.*

(*Signed*) Inga-Britt **Ahlenius**
Under-Secretary-General for Internal Oversight Services
21 July 2009

Annex

Select workload statistics of the Department for General Assembly and Conference Management, 2004-2008

	2004	2005	2006	2007	2008
Meetings held with interpretation	**6 391**	**6 532**	**6 542**	**6 294**	**6 686**
Headquarters	2 986	3 316	3 267	3 193	3 271
Geneva	2 597	2 286	2 414	2 327	2 636
Vienna	487	589	508	572	549
Nairobi	321	341	353	202	230
Meetings held without interpretation	**14 172**	**16 024**	**14 408**	**14 777**	**14 731**
Headquarters	5 427	5 907	5 351	5 357	5 771
Geneva	6 300	7 658	6 329	6 805	6 218
Vienna	1 517	1 379	1 318	1 784	2 021
Nairobi	928	1 080	1 410	831	721
Number of documents translated into six languages	**54 716**	**55 589**	**54 689**	**52 651**	**53 802**
Headquarters	30 458	31 441	31 981	30 358	30 595
Geneva	14 868	14 521	13 823	13 569	13 894
Vienna	5 626	6 079	5 678	5 742	6 340
Nairobi	3 764	3 548	3 207	2 982	2 973
Total number of documents processed	**34 987**	**36 638**	**34 819**	**33 607**	**33 297**
Headquarters	13 113	12 579	12 908	12 715	12 719
Geneva	10 292	10 299	10 282	9 852	10 038
Vienna	10 896	12 794	10 680	10 261	9 860
Nairobi	686	966	949	779	680
Total number of pages processed	**860 263**	**881 061**	**872 457**	**975 138**	**918 039**
Headquarters	340 708	318 193	346 443	353 261	371 196
Geneva	274 394	330 462	334 818	422 796	334 451
Vienna	220 724	207 414	165 817	173 416	190 564
Nairobi	24 437	24 992	25 379	25 665	21 828
Total number of pages printed					
Headquarters	*	*	423 503 404	392 674 261	391 098 814
Geneva	302 785 000	261 852 000	275 213 000	227 546 000	254 278 000
Vienna	38 162 000	39 778 000	37 836 000	32 059 000	35 272 000
Nairobi	*	*	*	*	*

* Data not provided by the Department for General Assembly and Conference Management.

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Macroeconomic policy questions: external debt and development

Towards a durable solution to the debt problems of developing countries

Report of the Secretary-General

Summary

The present report, submitted pursuant to General Assembly resolution 63/206, contains a review of recent developments in the external debt of developing countries and economies in transition. It analyses the impact of the financial and economic crisis ignited by the collapse of the sub-prime mortgage market in the United States on external debt sustainability for countries having access to international capital markets and low-income countries and critically reviews related policy actions. The report describes progress of the Heavily Indebted Poor Countries Initiative and developments in Paris Club rescheduling and analyses new trends and modalities in multilateral financing. It discusses the implication of the increasing importance of private external borrowing for external debt sustainability.

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I. Introduction

1. The present report is submitted to the General Assembly in accordance with paragraph 4 of Assembly resolution 63/206. It includes a comprehensive analysis of the external debt situation and debt-servicing problems of developing countries and transition economies. It seeks to describe new developments and key trends in external debt and related areas of development finance and to provide a basis for deliberation of related policy issues.

II. Recent trends

2. During 2008, the dollar value of total external debt of developing and transition economies (henceforth developing countries owing to the lack of disaggregated data for transition economies) increased by $176 billion, surpassing $3.6 trillion at the end of the year. The output of developing countries grew more rapidly than debt and total external debt decreased from 25 per cent of gross national income (GNI) in 2007 to 21.8 per cent of GNI in 2008. As a group, developing countries continued to accumulate international reserves, which, by the end of 2008, surpassed $4.2 trillion (see annex).

3. The data in the annex are weighted averages and are heavily influenced by the behaviour of some large developing countries which, over the last few years, recorded rapid output growth and reserve accumulation. A simple average, which gives each country the same weight, would yield a debt-to-GNI ratio which is twice as large as the weighted average reported in the annex.

4. High average foreign exchange reserve is also driven by a few large countries. At the end of 2008, four countries (Brazil, China, India and the Russian Federation) held about two thirds of the total reserves of developing countries. As a consequence, there are large differences across regions and countries. While the East Asia and Pacific region and the Middle East and North Africa region hold reserves which are much larger than their external debts, all other developing regions have reserves lower than their external debts, but higher than their short-term external debt. There are, however, several countries in Eastern and Central Europe that have international reserves which are well below their short-term external debt.

5. Debt composition is also changing rapidly. In the first half of the current decade, about 60 per cent of total long-term external debt of developing countries was owed to private creditors (varying from 21 per cent in sub-Saharan Africa to 78 per cent in Latin America and the Caribbean); by 2008 the share of debt owed to private creditors was 75 per cent (ranging from 33 per cent in sub-Saharan Africa to 93 per cent in the transition economies of Eastern Europe and Central Asia). Over the same period, the share of total long-term external debt issued by private borrowers grew from 30 per cent to 50 per cent. Debt issued by private borrowers is particularly important in the transition economies of Eastern Europe and Central Asia, where it amounts to 72 per cent of total external long-term debt.

III. Current economic crisis and risks to debt sustainability

6. The trends discussed above are a reflection of the benign conditions that characterized the world's economy over the period 2003-2007. They have not yet factored in the shock waves of the economic and financial crisis.

7. The early view that developing countries had managed to decouple their economies from those of the developed world is proving to be incorrect. Economic growth is slowing across all regions and several developing countries are expected to experience negative growth in 2009. Total growth of the developing world will remain positive in 2009, but if China and India are excluded from the group, output of the developing world will contract by approximately 1.5 per cent.

8. In 2008, GNI growth in Asia was 5.9 per cent (down from 8.1 per cent in 2007) and is expected to be just above 2 per cent in 2009; growth in the Latin American and Caribbean region is expected to decrease from 4.2 per cent in 2008 to negative 2.6 per cent in 2009; growth in Africa will decrease from 5.1 per cent to 1.2 per cent; and growth in Eastern Europe will swing from 5.4 per cent growth in 2008 to a loss of income of 5 per cent in 2009. About 62 developing countries out of 166 countries for which data are available are expected to record falling output in 2009 and a larger number of countries are expected to record decreasing income in per capita terms.

9. Developing countries as a group registered a current-account surplus of 3.5 per cent of GNI in 2007. This surplus dropped to 2.5 per cent in 2008 and is expected to shrink further to 1.6 per cent in 2009. In 2007, about 40 per cent of all developing countries had a current-account deficit greater than 6 per cent of GNI; by 2008 the share of developing countries with large current-account deficits had risen to 53 per cent. In 2006-2007, sub-Saharan Africa had a balanced current account and went into a deficit of 2.3 per cent of the region's GNI in 2008, which is expected to reach 5 per cent in 2009. About 84 per cent of countries in the region ran a current-account deficit in 2008, and 70 per cent of the countries in the region had a current-account deficit greater than 6 per cent of GNI. Latin America and the Caribbean and Eastern Europe and Central Asia registered a current-account deficit in 2008, which is likely to persist in 2009. East Asia and the Middle East and North Africa are likely to maintain current-account surpluses in 2009, but these surpluses are driven by a collapse of imports, rather than by dynamism in the export sector.

10. Financing these current-account deficits may become problematic for some developing countries. Preliminary data shows a 50 per cent reduction in net private capital flows to developing countries in 2008 and further reduction in 2009. This "reversal of international capital flows" as it is usually called, should not be regarded a priori as a curse for all affected countries. While many low-income countries do need external resources to finance productive imports, in many market-access countries private flows are often driven by speculative behaviour and end up in overvaluation of the currency and consumption booms. There are thus cases in which the reversal in private capital flows may have a minor effect on GDP growth and even help the affected countries to move towards a more sustainable growth model.[1]

[1] See United Nations Conference on Trade and Development, *Trade and Development Report 2008* (United Nations Sales publication, E.08.II.D.21), chap. IV.

11. The crisis is also taking its toll on the availability and cost of trade finance. Spreads on 90-day letters of credit have increased by a factor of 25, going from 10-20 basis points to 250-500 basis points. As a reaction to this situation, the communiqué of the Summit of the Group of 20, held in London in April 2009, included a $250 billion package in support of trade finance.

A. Countries with access to international capital markets

12. Countries that tap the international capital markets are facing higher borrowing costs driven by the global increase in risk aversion. This increase in borrowing cost may endanger the solvency of private borrowers based in emerging markets as a large share of their external debt contracted during the period 2003-2007 is now coming due.[2]

13. Sovereign spreads measure the difference between the interest rate paid by dollar-denominated sovereign bonds issued by emerging market countries and bonds with similar characteristics issued by the Government of the United States of America. Average sovereign spreads went from approximately 200 basis points in the summer of 2007 to almost 900 basis points in October 2008. During the first half of 2009, when the "flight to quality" faded, spreads decreased again, but they remain significantly higher than before the financial crisis. The evolution of sovereign spreads shows that developing countries that borrow from the international capital market pay a price for external shocks that are unrelated to domestic policies.

14. In most cases, high borrowing costs are not justified by deteriorating fundamentals but are the result of the general "risk aversion" that was triggered by a shock originating elsewhere. The same markets that had shown their "confidence" in the policies of developing and transition economies by appreciating the currencies of these economies suddenly turn around and flee these markets as if economic policy would have changed dramatically.

15. As most developing countries borrow abroad in foreign currency, the behaviour of the exchange rate plays a key role in determining borrowing costs of these countries. Since mid-2008, the negative effect of higher spreads has been magnified by the fact that the currencies of several emerging markets and low-income countries have depreciated vis-à-vis the United States dollar.

16. Lower economic growth and higher financing costs are likely to cause a deterioration of the external debt situation of developing and transition economies. Thanks to prudent policies implemented during the past five years, many middle-income countries are endowed with large war chests of reserves. They are thus well equipped to face one or two years of tight capital markets. The situation is different for several low-income countries which are close to running out of reserves. Countries with liquidity problems have been able to access stepped-up International Monetary Fund (IMF) resources. However, if the current conditions persist beyond 2009, several countries are likely to start facing serious liquidity and solvency problems.

[2] The World Bank estimates that developing countries corporate debt falling due in the first six months of 2009 amounted to $100 billion.

17. Until now, the Eastern and Central Europe region has been most severely affected by the crisis. In 2009, it is estimated that the region will experience the deepest output contraction since 1994 and a worsening of debt-to-GNI ratios in most countries. There are, however, important differences among countries in the region. The most affected countries are those that ran large current-account deficits in the period 2003-2007, often in excess of 10 per cent of GNI. These countries also experienced speculation in their currencies and credit booms driven by excessive lending to households with loans that were often denominated in foreign currency. The burst of the property bubble fuelled by the credit boom restricted the lending capacity of the banking sector. The ensuing credit crunch further exacerbated the drop in manufacturing output and exports. Because of the presence of large foreign-currency liabilities, several countries refused to accommodate these pressures and devalue their currency. Since mid-2008, seven countries in the region accessed IMF facilities and more countries received support from the European Union. However, the measures taken so far by the international financial community might not be sufficient to restore market confidence, as demonstrated by Latvia's failure to issue about $100 million of treasury bills in June 2009.

B. Low-income countries

18. Many low-income countries are on the brink of a balance-of-payment crisis brought about by terms-of-trade shocks, decline in export demand, and reduction in tourism and remittance flows. According to the World Bank, 18 countries have international reserves which cover less than four months of imports and 16 countries have consumed 20 per cent or more of their reserves since September 2008.[3] Several HIPCs are affected by the global economic and financial crisis through a number of channels. Completion-point countries are facing an average current-account deficit of 8 per cent of GNI and the average current-account deficit of decision-point and pre-decision-point countries exceeds 10 per cent of GNI. This highlights the need for highly concessional or grant based external financing for all HIPCs, including post-completion-point countries.

19. The traditional channel through which the global economic cycle affects growth in low-income countries is the collapse in demand for commodities, on which low-income countries depend highly. Another channel is through the lending activities of foreign-owned banks which controlled nearly 40 per cent of the domestic banking assets of developing countries at the end of 2007.[4]

20. An analysis of the impact of the global economic crisis on debt sustainability in a sample of 49 low-income countries found that the financial leverage of the banking system increased markedly since mid-2008. This increase in leverage makes these countries vulnerable to systemic banking crises which may have negative effects on economic activity and debt sustainability. There is evidence that

[3] World Bank, Global Development Finance 2009 (Washington, D.C., 2009).

[4] The presence of foreign banks is particularly important in Eastern Europe and Central Asia and in sub-Saharan Africa. Contrary to conventional thought, foreign banks located in low-income countries are often less efficient than domestic banks. See Detragiache, Tressel, and Gupta, 2008, "Foreign Banks in Poor Countries: Theory and Evidence", *Journal of Finance*, vol. 63.

foreign-owned banks have contributed to this overall increase in leverage and thus to the propagation of the crisis.[5]

21. Given the devastating effects of the financial crisis and the urgent need to prevent the worsening of debt ratios, which may lead to lower social expenditures and increase poverty, the UNCTAD secretariat proposed a temporary debt moratorium or standstill on official debt for low-income countries.[6] In comparison to the size of the stimulus packages for developed countries, the total amount of such a temporary debt moratorium is miniscule, constituting about $26 billion for 49 low-income countries for 2009 and 2010 combined. However, such a policy could provide recipient countries with breathing space and offset some of the negative effects of contracting export revenue and financial inflows. The moratorium could function as a counter-cyclical measure and, by contributing to macroeconomic stability in recipient economies, play a role in sustaining global demand.

IV. Private external debt and its vulnerabilities

22. The development and deepening of financial markets and financial reform policies have enhanced access to the international capital markets by private borrowers from developing countries. In the early 1990s, less than 10 per cent of total external long-term debt issued by developing countries was owed by private borrowers and most foreign borrowing was done by the public sector. Over the last 15 years, private firms and banks have been drawing finance from international markets in increasingly larger amounts. As a consequence, the share of total external long-term debt owed by private borrowers increased to 22 per cent in the second half of the 1990s, it surpassed 30 per cent in the first half of the current decade, and reached 50 per cent in 2008.

23. Data from the Bank for International Settlements on total bank cross-border claims by reporting banks and total international securities are less comprehensive than those reported in the annex to the present report, but allow for a finer breakdown of the borrower type for both short-term and long-term external debt. These data indicate that about 80 per cent of total external debt of developing countries was owed by private sector borrowers at the end of 2008.

24. According to the World Bank, more than 3,000 corporations based in emerging markets tapped the international capital markets during 2002-2007 either by issuing bonds or borrowing through syndicated bank loans. As a result, corporate debt is now responsible for the majority of short-term external debt of developing countries.[3]

25. There are, however, large regional differences. Debt owed by private borrowers is particularly important in countries with access to international capital markets and upper middle-income countries. Thus, the share of this debt to total long-term external debt in 2008 is large, in Latin America and the Caribbean (42 per cent), in East Asia (45 per cent), and in Eastern Europe and Central Asia (72 per cent), whereas it is much smaller in sub-Saharan Africa (12.7 per cent) and South

[5] Gande and Senbet (2009) "The Impact of Global Economic Crisis on Debt Sustainability of Low-Income Countries", unpublished, University of Maryland.

[6] See A/CONF.214/3, draft outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development, para. 15.

Asia (26 per cent). Surprisingly, the share of debt owed by private borrowers is the lowest in the Middle East and North Africa region (7.5 per cent), which includes several middle- and high-income countries. This may be due to the fact that in some cases it is difficult to distinguish between public and private debt. This is especially the case in the smaller Gulf countries which have undertaken several public-private projects. With regard to the United Arab Emirates, while official statistics report no private external debt, it issued $100 billion of publicly guaranteed corporate debt between 2006 and 2008, making it one of the largest issuers of external corporate debt in the emerging world.

26. Private sector entities are now able to access the international capital market, which diminishes the traditional role of the State as an intermediary for such financing. It has been argued that since private agents (both lenders and borrowers) are better equipped at evaluating the risk of their actions, private external borrowing does not lead to vulnerabilities as long as the fiscal accounts are balanced. This view was discredited by several debt crises, which hit countries with high private investment rates and balanced fiscal accounts. Therefore, the fact that a country has a large share of its external debt owed by private borrowers should not be interpreted as an indication of lower vulnerabilities. In fact, it is often impossible to separate public from private liabilities and this is especially the case for bank debt, which, due to implicit or explicit deposit insurance, is a contingent liability of the public sector.

27. There are conditions under which private external debt may lead to overborrowing and generate more vulnerabilities than public sector external debt. Large inflows of private capital can lead to overvaluation, with the concomitant loss of competitiveness and unsustainable current-account deficit. Moreover, private external debt often leads to the accumulation of currency mismatches in the balance sheets of firms and households. Overconfidence in the private sector's ability to cope with a general loss of competitiveness has been at the root of many financial crises, including the one in East Asia in 1997/98 and the most recent one in Eastern Europe and Central Asia. In the end, the unavoidable depreciation hurts the banks if their clients have currency mismatches in their balance sheets. This occurs when firms that produce non-tradable goods borrow in a foreign currency or when households hold mortgages denominated in a foreign currency because the interest rate there is lower.

28. It is difficult to implement prudential regulation aimed at avoiding such mismatches because the total external exposure of the private sector is more difficult to measure and quantify than the external exposure of the public sector. Such difficulties are amplified by the fact that private agents often assume currency risk by using sophisticated derivative instruments. Policies aimed at developing domestic bond markets may enable corporations to avoid excessive external exposure, but developing countries need to be careful to avoid policies that could increase the risk of financial instability by facilitating inflows and outflows of hot money.

29. Private external borrowing also plays a central role in the diverging trends of the net and gross external liabilities of developing countries. In 1970, net international liabilities (both debt and equity) of developing countries as a group made up about 18 per cent of the group's total GNI. These net liabilities resulted from the difference between gross international liabilities amounting to 27 per cent

of the group's GNI and gross international assets amounting to 9 per cent of the group's GNI. By 2004, net international liabilities had decreased to 2 per cent of GNI, but gross exposure had increased to 80 per cent of the group's GNI. Larger gross assets and liabilities may bring advantages in terms of international diversification and access to technology but they also increase vulnerabilities linked to valuation effects or sudden capital flow reversals.

V. Debt relief and official development assistance

A. Progress under the Heavily Indebted Poor Countries Initiative

30. As of June 2009, 35 of the 40 eligible countries qualified for debt relief under the enhanced HIPC Initiative. In January 2009, Burundi was the twenty-fourth country to reach completion point under the Initiative. Since the last report, Togo (November 2008) and Côte d'Ivoire (March 2009) reached decision-point, increasing the number of decision point countries to 11. Countries that are making progress towards reaching completion point include Afghanistan, the Central African Republic, Guinea, Guinea-Bissau, Haiti and Liberia. With the exception of the Kyrgyz Republic, which may decide to officially opt out from the Initiative, the remaining pre-decision-point countries are conflict or post-conflict cases, in which progress can be expected to be very limited.

31. Completion-point countries received an estimated debt relief of $38 billion in end-2008 NPV terms. World Bank estimates suggest that the debt stocks of the 35 post-decision point HIPCs have declined by approximately 80 per cent and debt ratios have substantially improved from 1999 to 2008 with respect to net present value (NPV) of debt to exports (from 457 per cent to 133 per cent), NPV of debt to GNI (from 114 per cent to 38 per cent), debt service to exports (from 18 per cent to 6 per cent), NPV of debt to revenue (from 552 per cent to 153 per cent) and debt service to revenue (from 22 per cent to 6 per cent). These improvements do not automatically imply a more favourable medium-term debt situation for these countries. Of the 24 HIPC completion-point countries, only 8 are classified as being at low risk of debt distress, while 4 countries are classified as being at high risk or are already in debt distress.

32. All completion-point HIPCs have benefited from additional debt relief under the Multilateral Debt Relief Initiative (MDRI), but not all HIPCs benefit equally from the MDRI as the Asian Development Bank does not participate in the Initiative.

B. Paris Club activities

33. Since the last report (A/63/181), six countries rescheduled their debt with Paris Club creditors.[7]

34. In October 2008, Djibouti concluded an agreement with Paris Club creditors to reschedule its debt under Houston terms, including a full deferral of moratorium

[7] Countries covered in the previous report that rescheduled their Paris Club debt in 2008 are the Gambia, Guinea, Liberia and Togo.

interest during the 36-month consolidation period. The agreement covers principal, interest and arrears at the end of August 2008, as well as a deferral on payments of post-cut-off debt and short-term debt during the consolidation period. Creditors have expressed their willingness to consider a debt treatment under the Evian approach at some future date.

35. The Republic of the Congo reached the decision point under the HIPC Initiative in March 2009, and a Paris Club meeting ensued in December 2009. Debt payments falling due over the three-year consolidation period were treated under Cologne terms, leading to a cancellation of approximately $805 million and a rescheduling of $155 million.

36. Togo reached the decision point in November 2008 and had a Paris Club meeting in January 2009. It obtained a rescheduling under Cologne terms of its debt obligations falling due during the consolidation period. This treatment led to an additional cancellation of $22 million of debt owed to Paris Club creditors. A number of creditors have expressed their willingness to grant additional debt relief beyond the agreed terms.

37. Burundi reached the completion point in January 2009 and had a Paris Club meeting in March 2009. The treated loans comprised the debt stock as of 1 January 2009 and arrears as of 31 December 2008. Burundi obtained a 100 per cent cancellation of official development assistance (ODA) and non-ODA loans as well as a 95 per cent reduction of the previously rescheduled ODA credits, which represents an annulment of $129.5 million of external debt obligations. With further bilateral pledges, the country will no longer have Paris Club debts following that agreement.

38. The financial crisis contributed to a collapse in tourism revenues of the Seychelles, on which the country heavily depends. As a consequence, the Seychelles became unable to continue servicing its debts. A Paris Club meeting took place in April 2009. It led to a treatment under the Evian terms and gave rise to a complex agreement. All arrears as of the end of October 2008 and maturities due between November 2008 and June 2009 were first rescheduled and deferred. Then an NPV reduction of 31.4 per cent was applied on all outstanding principal due as of July 2009 after the rescheduling and deferral have been applied. A further reduction was agreed on the remaining outstanding principal due on 1 July 2010 after the implementation of the first reduction, with the aim of achieving an overall 50 per cent NPV cancellation of the treated debt stock.

39. Côte d'Ivoire reached decision point under the HIPC Initiative in March 2009 and had a Paris Club creditors meeting in May 2009. Debt obligations falling due during the consolidation period were treated under the Cologne terms, but as the country's external viability required further assistance, creditors agreed to go beyond the usual terms and granted a capitalization of moratorium interest with a six-year deferral, as well as a deferral of arrears over 7.5 years. Creditors also agreed to a deferral on repayments of arrears on post-cut-off date debts and to a deferral on obligations falling due during the consolidation period on post-cut-off-date debts. This treatment is a sign that official bilateral creditors are willing to provide exceptional assistance to countries needing it to regain sustainability.

C. Trends in official development assistance

40. Official development assistance (ODA) by Development Assistance Committee (DAC) donors rose to its highest level in 2008, $119.8 billion, reaching 0.3 per cent DAC donors' total GNI. About 7 per cent of the total consisted of debt relief and ODA net of debt relief increased by 12 per cent with respect to 2007. It is possible that this increase in ODA still reflects decisions taken during the previous period of high and stable economic growth in donor countries and that the ODA may be negatively affected by the current crisis.

41. Organization for Economic Cooperation and Development (OECD) estimates suggest that donors will need to increase current ODA expenditures by $10-15 billion to meet their aid commitments for 2010; but aid targets may fall short of the additional development resources needed to respond to the challenges posed by the global crisis. Aid will have an important role to play in providing much needed counter-cyclical resources and help Governments to support social expenditure and expand infrastructure.

42. During past banking crises in donor countries, ODA has dropped anywhere from 20 to 40 per cent and then recovered very slowly. Besides budget cuts, economic crises in the donor countries may lead to an automatic reduction in ODA because some donors set their aid targets as a percentage of GNI, and so a drop in GNI may lead to a drop in aid. Moreover, aid budgets are usually fixed in domestic currency; should that currency depreciate against the recipient's currency, the value of the aid budget will decrease as well. There is thus a risk that aid will decrease at a time when it is needed the most. A collapse in aid could eliminate some of the progress towards meeting the Millennium Development Goals.

43. A positive sign is that several donor countries restated their commitment to foreign aid. By adopting the Action Plan of the DAC High-Level Meeting held on 27 and 28 May 2009, donors acknowledged the need for meeting the current aid shortfall and signalled their willingness to deploy additional resources to multilateral institutions. However, aid could be made more stable and predictable by developing funding modalities in which the budgets of the various aid agencies no longer depend on the business cycle of donor countries.[8]

VI. New trends and modalities in multilateral financing

44. The period 2003-2007 was characterized by strong global economic growth. A large number of developing countries also registered large current-account surpluses and faced low external finance requirements. Moreover, abundant international liquidity and low risk aversion allowed several developing countries to borrow from the international capital market at spreads comparable to the interest rates charged by the international financial institutions, without any burden in terms of conditionality. As a consequence, lending by the largest international financial institutions decreased dramatically over this period. For instance, the International Bank for Reconstruction and Development (IBRD) — the non-concessional lending

[8] United Nations Conference on Trade and Development, "Keeping ODA afloat: no stone unturned", UNCTAD Policy Brief No.7, March, 2009 (http://www.unctad.org/en/docs/presspb20092_en.pdf).

arm of the World Bank Group — had consecutive negative net flows throughout the period 2002-2007, meaning that debt repayments were greater than new issuances of loans. In the case of IMF, outstanding credit went from $96 billion in 2002 to $15 billion in 2007.

45. Access to multilateral finance is now much more attractive and needed because several developing countries started having current-account deficits exactly when international liquidity began drying up and sovereign spreads started soaring. Net lending by the World Bank went from negative $500 million in 2007 to positive $2.8 billion in 2008 and it is expected to increase at a very fast pace over the next three years. For instance, IBRD gross lending, which stood at $13 billion in 2008, up from $10 billion in 2007, is expected to reach $35 billion in 2009, with total gross lending exceeding $100 billion over the period 2009-2011. Most of the new loans are expected to take the form of fast-disbursing Development Policy Loans. The World Bank is also increasing lending by its concessional arm — the International Development Association — and is making $2 billion available for fast track financial assistance in the form of grants and interest-free loans for social safety nets, infrastructure, education and health. Finally, the private-sector arm of the World Bank — the International Finance Corporation — is also expected to increase its activities in support of public-private infrastructure projects, bank lending in emerging and low-income countries, microfinance institutions, and trade finance.

46. The regional development banks are also stepping up lending. In Latin America and the Caribbean, the Inter-American Development Bank aims at providing a credit line of $6 billion to member countries that face liquidity problems. Latin American countries with liquidity problems will also be able to access a $1.5 billion facility created by the Andean Development Corporation and the seven members of the Latin American Reserve Fund will have access to a $1.8 billion balance-of-payment support credit line.

47. In Africa, the African Development Bank created a $1.5 billion facility for countries that have liquidity problems and need rapid access to credit. It also coordinated several agencies towards the creation of the African Financing Partnership with the objective of providing $15 billion worth of loans for infrastructure, agribusiness and small and medium-size enterprises to promote trade, and to strengthen financial sectors.[9]

48. In Asia, the Board of the Asian Development Bank announced a tripling of the Bank's capital base from $55 billion to $165 billion. The ADB intends to increase lending by more than $10 billion to $32 billion for 2009-2010. It also created a $3 billion facility for countries that face liquidity problems and need balance-of-payment support. The ASEAN+3 group agreed on a programme labelled Chiang Mai Initiative Multilateralization, which establishes a $120 billion regional fund aimed at providing short-term liquidity support to countries that face foreign exchange risk. Japan also announced its intention to supply Asian nations with an additional $60 billion in emergency swap agreements and to provide guarantees on yen-denominated bonds issued in Japan by foreign countries or companies.

[9] The partnership includes the Agence Française de Développement, the Development Bank of Southern Africa, the European Investment Bank, the German Federal Ministry for Economic Development and Cooperation, the Islamic Development Bank and the World Bank.

49. A strong indicator of the deepening of the global economic crisis is the sharp increase in the demand for IMF loans and assistance. Over the period from the first quarter of 2002 to the third quarter of 2008, there were an average of six countries seeking non-Poverty Reduction and Growth Facility (PRGF) loans annually. Between November 2008 and May 2009, 23 countries began accessing non-PRGF IMF facilities. Of these 23 facilities, 13 were traditional stand-by agreements, 7 of which have been approved under the IMF fast-track Emergency Financing Mechanism procedure.[10] An additional seven loan agreements were extended under the Exogenous Shock Facility and three agreements under the newly created Flexible Credit Line facility.[11]

50. The Flexible Credit Line is a facility that seeks to provide rapid access to credit to countries that pre-qualify under the terms of the facility. Its stated aim is to eliminate uncertainties about a country's ability to access IMF resources. Only countries that are deemed to have strong economic fundamentals and policies and are committed to continue such policies in the future are eligible to access the facility.[12]

51. Besides introducing ex ante qualification criteria, as in the case of the Flexible Credit Line, the IMF also announced the "modernization" of conditionality attached to loans, effective 1 May 2009. The intention is to move to a review-based approach to monitoring the implementation of IMF programmes instead of using performance criteria. The intention of the new approach is to adapt conditions attached to loans to country-specific circumstances and eliminate the need for formal waivers for countries that do not meet targets by a specific date.

52. While the introduction of some flexibility may be a step in the right direction, there is the risk that these reforms and new facilities will not substantially alter traditional IMF conditionality which has been the subject of many criticisms in the past. A 2007 IMF Independent Evaluation Office report entitled "Structural Conditionality in IMF Supported Programs" found that a number of the IMF conditionalities reach outside the Fund's core areas of responsibility. It remains to be seen whether the reform will indeed limit IMF conditionality to the Fund's mandated areas of work or if it will only lead to operational rather than substantive changes to conditionality.

53. The G-20 and International Monetary and Financial Committee communiqués of April 2009 requested a revision of the IMF/World Bank Debt Sustainability Framework for low-income countries with the objective of enhancing the flexibility of the Framework. The current version of the Debt Sustainability Framework uses explicit limits on the NPV of external debt, above which external debt is considered unsustainable. There are serious issues on how these thresholds are calculated and how they relate to the World Bank's Country Policies and Institutional Assessment

[10] This financing mechanism was established in 1995 to provide rapid financing to member countries. Until September 2008 the mechanism had been employed only five times: four times during the Asian crisis and once for Turkey in 2001.

[11] A precursor of the Flexible Credit Line was the Contingent Credit Line, which was created in 1999 but discontinued in 2003 because no country ever applied for the facility.

[12] Qualification criteria include: strength of the current account, strength of public finances, the sustainability of public debt, and level and stability of inflation.

index (see A/63/181).[13] The World Bank and IMF are elaborating a proposal aimed at addressing some of the issues raised by critics of the Debt Sustainability Framework, but it appears that the Country Policies and Institutional Assessment index will remain central to calculating debt thresholds.

54. The Debt Sustainability Framework does not make any distinction between debt used to finance investment projects and debt used to finance current expenditure (ibid.). This is problematic because investment projects can increase GNI growth and thus improve a country's ability to service its debt. A more flexible Debt Sustainability Framework which allows for higher debt thresholds when external borrowing is used to finance high-return investment projects would be desirable as it would recognize that not every increase in debt leads to a reduction in government wealth. Moreover, as current expenditure tends to be the most rigid component of the government budget and investment is the typical adjustment variable when the debt exceeds the threshold fixed by the Debt Sustainability Framework, adding flexibility to that Framework may contribute to reducing the volatility of public investment in developing countries.[14]

55. In increasing the flexibility of the Debt Sustainability Framework, it is necessary to recognize that financing investment projects that generate returns which are higher than the interest rate charged on the loan is a necessary but not sufficient condition for external sustainability. Only projects that have a high return and can, either directly or indirectly, generate the foreign currency necessary to service the debt will not harm external sustainability.[15]

56. An additional issue relates to debt composition that recent research has shown to be as important as debt levels in determining debt sustainability.[16] The Debt Sustainability Framework should be revised and expanded to include both domestic and foreign debt and control for debt structure by giving different weights to different types of debt. For instance, all other things being equal, long-term debt denominated in domestic currency generates less vulnerabilities than short-term debt denominated in foreign currency. The recent discussion in the IMF Executive Board on building debt thresholds that consider the currency-denomination of domestic debt is a welcome step in the right direction.[17]

57. A related issue has to do with the fact that several low-income countries that are eligible to borrow under the IMF Poverty Reduction and Growth Facility or have access to IDA loans face minimum concessionality requirements that prevent them from engaging in external borrowing that does not have a concessional component of at least 35 per cent. Current proposals aimed at granting more flexibility to these countries focus on "average" concessionality requirements, under which new

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[13] The appropriateness of the Country Policies and Institutional Assessment index was recently questioned by the IMF Executive Board, which agreed on the need for "objective, credible criteria" for the assessment of macroeconomic management capacities (see IMF, Public Information Notice No. 09/39, March 30, 2009).

[14] Governors representing 11 borrowing members of the Inter-American Development Bank discussed this problem in a 2004 open letter known as the "Carta de Lima".

[15] See United Nations Conference on Trade and Development, *Trade and Development Report 2008*.

[16] Inter-American Development Bank (2007), *Living with Debt: How to Limit Risks of Sovereign Finance*.

[17] International Monetary Fund, Public Information Notice No. 09/38, "IMF Executive Board Discusses Reforms of Lending Instruments for Low-Income Countries", March 30, 2009.

external borrowing by these countries needs to have an average rate of concessionality of at least 35 per cent but individual loans may have lower levels of concessionality. More should be done in reducing total concessionality requirements, especially because there is some discussion of making concessionality requirements even tighter for countries which, according to the Debt Sustainability Framework, are deemed to face a high risk of debt distress.

VII. Policy conclusions

58. Developing countries are paying a steep price for an economic crisis caused by policy and regulatory mistakes of some developed countries. Prevention of future crises will require more even-handed surveillance of all major financial centres (see A/CONF.214/3). Decisive and bold policy action is required to limit the setbacks in terms of increased poverty and progress towards the Millennium Development Goals resulting from the crisis. It is reassuring that the G-20 communiqué of April 2009 acknowledged that the global financial system is ill-equipped for responding to the current crisis and agreed to deliver a large policy package. Another positive step is the recognition that developing countries that are hit by external shocks need to be provided with ample liquidity with no strings attached. This is a positive deviation from the old attitude that "if a country is in crisis, it must be its fault."

59. There are, however, also sources of concern. First and foremost, the G-20 communiqué did not recognize that the current crisis stems from excessive speculation made possible by the absence of a coherent global monetary and regulatory system and it did not agree on a coordinated global stimulus package.[18] Second, some of the resources necessary to fund the proposed $1.1 trillion package agreed upon in the G-20 communiqué have yet to be identified. Moreover, it is not yet clear what terms and conditions will be attached to the new resources and whether IMF, which will receive more than 70 per cent of the new resources, will truly reform its conditionality policies. Third, the G-20 did not allocate enough resources to low-income countries and small and vulnerable States.[19]

60. Low-income countries have limited ability to respond to external shocks and many of them are facing difficulties in servicing their external debt. It is the duty and obligation of the international community to provide assistance and resources to help mitigate the adverse consequences of the crisis without requiring the accumulation of unsustainable levels of debt.[20]

61. Low-income countries with high debt levels need to be given alternative financing opportunities for Millennium Development Goals achievement. A debt moratorium or standstill would immediately and unconditionally liberate resources

[18] UNCTAD (2009), *The global economic crisis: systemic failures and multilateral remedies*, report by the UNCTAD Secretariat Task Force on Systemic Issues and Economic Cooperation.

[19] Only $50 billion were targeted specifically to low-income countries (A/CONF.214/3). Nearly one quarter of the additional resources committed by the G-20 will take the form of the issuance of special drawing rights. Since special drawing rights are allocated according to IMF quotas, only about one half of the increase in special drawing rights will be translated into the Fund's ability to extend loans to developing countries, with a very small share going to low-income countries.

[20] There are some low-income countries that are able to absorb larger amounts of debt, which should be granted more flexibility under the Debt Sustainability Framework.

and give countries the fiscal space to respond to the specific circumstances they are facing. Such a moratorium can be viewed as a part of a multifaceted approach to mitigating the impact of the crisis and reduce the build-up of unsustainable debt in vulnerable economies.

62. Past experience shows that financial crises in donor countries are followed by a collapse in foreign aid. While several donors have committed to increase aid, it is worrisome that the G-20 communiqué did not include any clear commitment to increasing aid to low-income countries. Switching to a system in which aid agencies are funded with an endowment would be useful in delinking aid delivery from the business cycle of donor countries and thus reduce aid procyclicality. In fact, it would also be advisable to develop aid delivery mechanisms with a built-in insurance component which leads to an automatic increase in aid when recipient countries are hit by a negative external shock. Along similar lines, the international community should help countries with market access to develop new debt instruments and institutions which automatically reduce (or at least avoid amplifying) debt service in the presence of negative external shocks (A/CONF.214/3, para. 31, highlights the need to devise mechanisms aimed at providing more stable sources of development finance).

63. A continued deterioration of economic conditions may push some countries with access to international capital markets towards sovereign default. It is thus lamentable that the design of a mechanism aimed at facilitating the resolution of sovereign insolvency has been marginalized in the international discussion. The outcome document of the Conference on the World Financial and Economic Crisis underlines the need of a more structured framework for international cooperation in this area (A/CONF.214/3, para. 34). In this context, it would also be desirable for the international community to discuss and promote responsible lending and borrowing.

Annex

External debt of developing countries[a]

(Billions of United States dollars)

	All developing countries and economies in transition						*Sub-Saharan Africa*					
	1990-94	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]	*1990-94*	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]
Total debt stocks	1 468.8	2 061.5	2 397.6	2 858.4	3 466.0	3 642.0	191.4	226.2	217.9	172.5	195.1	199.7
Long-term debt	1 192.3	1 660.0	1 931.8	2 195.5	2 602.3	2 785.7	158.2	177.1	180.6	127.1	143.9	146.2
Private (share)	47.6	54.3	60.5	70.8	74.3	75.4	25.2	24.0	21.5	30.0	33.0	33.3
Private non-guaranteed (share)	8.4	21.8	29.6	43.8	49.6	49.5	4.1	5.6	5.3	6.8	10.9	12.7
Short-term debt	240.0	336.2	385.6	643.1	848.2	830.5	26.3	41.3	30.5	42.3	47.9	49.5
Arrears	119.8	117.4	94.8	90.9	95.7	97.8	40.1	59.7	39.5	39.6	39.9	39.5
Debt service	130.5	240.6	347.4	481.3	501.3	512.9	8.6	12.4	12.6	20.6	15.6	15.4
International reserves	268.7	564.2	1 198.3	2 653.0	3 751.5	4 219.8	16.0	26.7	49.4	114.9	140.4	155.4
Debt indicators (percentage)												
Debt service/exports	18.5	19.3	17.2	12.3	10.2	8.0	12.7	14.7	9.4	7.6	5.0	3.7
Total debt/exports	180.8	149.2	107.1	65.6	65.8	57.0	243.2	227.0	150.6	60.3	56.8	48.0
Debt service/GNP	3.3	4.5	5.0	4.2	3.6	3.1	3.0	3.9	3.1	3.0	2.0	1.7
Total debt/GNP	37.3	38.2	34.8	25.1	25.1	21.8	67.6	70.8	54.9	24.7	24.9	22.2
Reserves/short-term debt	112.0	167.8	310.7	412.5	442.3	508.1	60.7	64.5	161.9	271.7	293.3	313.9
Reserves/M2	14.3	19.5	23.1	30.1	33.8	31.1	14.9	21.8	27.7	34.0	27.9	32.7

	Middle East and North Africa						*Latin America and Caribbean*					
	1990-94	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]	*1990-94*	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]
Total debt stocks	124.7	131.6	129.4	129.3	136.4	133.5	483.9	684.2	772.3	729.0	825.7	865.0
Long-term debt	103.7	114.9	111.3	107.3	113.4	112.7	375.4	541.4	645.6	622.9	684.8	723.9
Private (share)	37.3	26.5	34.1	42.8	41.5	42.0	64.5	74.1	78.2	80.3	82.4	82.3
Private non-guaranteed (share)	0.9	2.1	1.1	6.0	5.7	7.5	11.7	30.7	34.8	36.9	41.1	42.4
Short-term debt	19.2	13.9	16.3	21.5	22.7	20.5	93.0	120.5	97.4	105.4	140.1	140.3
Arrears	4.9	2.3	0.8	0.3	0.3	0.3	43.5	12.1	20.1	21.5	25.2	27.5
Debt service	15.9	17.1	16.6	28.5	18.2	20.3	43.4	107.9	137.4	176.9	147.5	137.7
International reserves	25.4	43.8	85.3	169.1	216.3	261.8	92.0	160.0	192.9	312.8	450.6	500.5
Debt indicators (percentage)												
Debt service/exports	21.0	18.5	11.5	11.0	5.8	5.1	25.0	33.6	30.6	22.9	16.0	12.3
Total debt/exports	147.5	132.9	85.3	48.1	41.3	33.2	235.1	194.4	152.2	85.6	85.4	77.2
Debt service/GNP	7.7	5.6	4.1	4.8	2.5	2.3	3.4	5.8	7.0	6.0	4.2	3.4
Total debt/GNP	60.5	43.4	32.5	22.0	19.0	15.3	38.8	36.9	39.6	24.5	23.7	21.5
Reserves/short-term debt	132.6	315.5	524.0	786.0	953.1	1 278.1	98.9	132.8	198.0	296.8	321.7	356.8
Reserves/M2	14.1	20.7	25.8	32.4	34.0	35.1	15.4	23.3	21.3	20.7	24.4	23.5

	East Asia and Pacific						*South Asia*					
	1990-94	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]	*1990-94*	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]
Total debt stocks	300.5	509.7	546.4	666.5	741.5	765.5	138.1	154.2	176.1	249.8	304.7	311.3
Long-term debt	239.7	396.3	398.1	418.5	450.7	475.9	122.0	142.5	165.8	217.7	253.3	264.0
Private (share)	47.5	59.3	56.3	58.6	60.7	62.5	24.7	27.9	35.7	45.5	48.6	48.3
Private non-guaranteed (share)	15.6	32.3	33.2	38.4	43.0	44.7	2.7	7.2	15.0	39.7	41.2	26.1
Short-term debt	59.2	105.4	136.1	247.7	290.5	289.4	9.7	8.3	8.0	29.8	49.1	41.9
Arrears	8.4	15.4	19.0	24.7	25.3	25.1	0.1	0.5	0.3	0.2	0.4	0.4
Debt service	33.9	57.0	75.1	70.9	75.6	69.0	10.2	14.7	20.9	20.5	42.5	45.3
International reserves	96.9	225.5	571.7	1 315.7	1 856.7	2 292.4	18.2	35.3	103.2	198.5	302.3	274.8
Debt indicators (percentage)												
Debt service/exports	15.5	12.9	9.9	5.1	4.0	2.7	25.1	20.6	14.6	7.5	12.9	11.4
Total debt/exports	123.9	105.3	64.8	38.5	34.7	29.7	288.3	190.1	122.7	85.3	87.0	78.2
Debt service/GNP	4.2	3.9	3.5	2.0	1.7	1.2	2.7	2.8	2.7	1.8	2.9	2.8
Total debt/GNP	36.9	35.4	25.2	18.4	17.0	13.8	36.5	29.2	23.7	21.7	21.1	19.4
Reserves/short-term debt	163.6	213.9	419.9	531.1	639.1	792.1	188.1	423.3	1 293.7	665.1	615.3	656.0
Reserves/M2	14.9	16.2	19.8	28.0	32.4	31.0	10.7	14.1	22.2	24.7	28.8	22.9

	Europe and Central Asia					
	1990-94	*1995-99*	*2000-05*	*2006*	*2007*	*2008*[b]
Total debt stocks	230.3	355.6	555.5	911.4	1 262.6	1 367.0
Long-term debt	193.3	287.7	430.4	702.0	956.2	1 062.8
Private (share)	53.1	53.0	70.9	89.1	91.7	92.7
Private non-guaranteed (share)	4.3	15.8	41.0	66.8	72.0	71.8
Short-term debt	32.6	46.7	97.3	196.4	297.9	289.0
Arrears	22.8	27.4	15.1	4.5	4.7	5.0
Debt service	18.4	31.5	84.9	163.9	202.0	225.2
International reserves	23.1	72.9	195.8	542.1	785.1	728.5
Debt indicators (percentage)						
Debt service/exports		13.4	20.1	19.1	18.7	14.9
Total debt/exports		130.1	121.4	96.8	107.9	90.7
Debt service/GNP		3.4	6.7	6.9	6.6	6.0
Total debt/GNP		38.5	45.7	38.4	41.5	36.3
Reserves/short-term debt	70.8	155.9	201.3	276.0	263.6	252.1
Reserves/M2	13.6	31.6	46.4	57.3	58.9	44.5

Source: World Bank, *Global Development Finance 2009* (online database).

[a] Developing countries as defined in the Global Development Finance publication.

[b] Estimate.

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Globalization and interdependence: science and technology for development

Science and technology for development

Report of the Secretary-General

Summary

The present report contains information on the status of implementation of General Assembly resolution 62/201. It reports on work carried out by the United Nations Commission on Science and Technology for Development in areas such as agriculture, rural development, information communications technologies and environmental management. It also provides information on activities carried out by the United Nations Conference on Trade and Development and other relevant organizations to assist developing countries in their efforts to integrate science, technology and innovation policies in their respective national development plans and strategies.

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I. Introduction

1. At its sixty-second session, the General Assembly adopted resolution 62/201 on science and technology for development, in which it reaffirmed its commitment to assist developing countries in harnessing science and technology for development. In this context, the Assembly also reaffirmed its commitment to support initiatives for a number of science and technology-related issues, including: research and development in the areas of health, agriculture, conservation, sustainable use of natural resources and environmental management, energy, forestry and the impact of climate change; transfer and diffusion of technologies; development of renewable sources of energy, such as solar, wind and geothermal energy; policies that attract both public and private investment, domestic and foreign, that enhances knowledge; and new agricultural technologies in order to increase agricultural productivity through environmentally sustainable means.

2. In the same resolution, the General Assembly requested the Commission on Science and Technology for Development to continue to assist the Economic and Social Council in the system-wide follow-up to the outcomes of the World Summit on the Information Society. In the resolution, the Assembly encouraged the Commission to address the special needs of developing countries in areas such as agriculture, rural development, information and communications technologies and environmental management. The Assembly also encouraged the United Nations Conference on Trade and Development (UNCTAD), in collaboration with relevant partners, to continue to undertake science, technology and innovation policy reviews, and to assist developing countries in their efforts to integrate science, technology and innovation polices in national development strategies. Further, it requested the Secretary-General to submit to it at its sixty-fourth session a report on the implementation of the resolution and recommendations for future follow-up, including lessons learned in integrating science, technology and innovation policies into national development strategies.

3. The present report has been prepared in response to those requests.

II. Work of the Commission on Science and Technology for Development in areas such as agriculture, rural development, information and communications technologies and environmental management

4. The Commission reasserted its unique role as an intergovernmental global forum for the examination of science and technology questions, for improving the understanding of science and technology policies for development and for the formulation of recommendations and guidelines on science and technology matters within the United Nations system. In addition, the Commission continued to fulfil its mandate of assisting the Economic and Social Council in the follow-up to the World Summit on the Information Society and the commitment set out in paragraph 60 of the 2005 World Summit Outcome.

5. The secretariat of the Commission undertook a number of initiatives that address the special needs of developing countries in areas such as agriculture, rural development, information and communications technologies and environmental

management, through projects undertaken by the United Nations Conference on Trade and Development (UNCTAD).

A. Multi-year expert meeting of the United Nations Conference on Trade and Development

6. The first session of the UNCTAD multi-year expert meeting on enterprise development policies and capacity-building in science, technology and innovation was held from 20 to 22 January 2009 in Geneva, Switzerland. The meeting provided an opportunity to discuss how innovation and entrepreneurship can help developing countries overcome global challenges, such as climate change, energy and food security. Experts shared ideas on how to apply science, technology and innovation to development, in particular how to fight poverty through improving the level of productivity and competitiveness of enterprises in developing countries.

7. Given that the bulk of poverty in the developing world is in rural areas, agriculture remains a key channel for many developing countries to reduce poverty. Experts have argued that building innovation capabilities in agriculture in developing countries would be an important step towards reducing poverty. Since the agriculture sector in developing countries generally consists of very large numbers of microentrepreneurs, it would be useful to provide accessible technologies that farmers could use to solve their particular problems. In order to build innovation capabilities, it was suggested that the traditional research- and technology-led approach to innovation in agriculture should be substituted by a new innovation paradigm that recognized diversity in the innovation arrangements of developing countries. There is a need for agricultural research to be better suited to the needs of entrepreneurs and enterprises, with the support of agricultural technology brokers and agricultural extension services.

8. Several policy questions remained open, including how to best foster entrepreneurship for agricultural innovation in a largely informal sector of microentrepreneurs. Another important policy question that remained open concerned identifying what models of farmer-operated enterprises worked well, especially for poverty reduction. It was suggested that policymakers strengthen their intelligence-gathering capacities to better understand promising developments in the informal sector, and in agriculture and rural development more generally.

9. Several national programmes on science, technology and innovation development for microenterprises were discussed. Experts cautioned against concentrating too heavily on high technology to the neglect of more basic technologies that were nevertheless critical for economic progress in developing countries. Agroprocessing technologies, which were central to raising the value added by agricultural entrepreneurs and for escaping the poverty trap, were used as an illustration.

10. On pro-poor information and communications technologies, it was acknowledged that mobile telephone technology in some developing countries, such as Bangladesh and Kenya, could have a big impact in facilitating business operations by microenterprises and microentrepreneurs in agriculture and fisheries. Such pro-poor applications could open new opportunities for microentrepreneurs by providing information networking platforms. This type of mobile telephone-based network might be replicable in other developing countries, although the specific

conditions varied greatly by country, which would place limits on its general replicability.

B. Conference on global food security: the role of science and technology

11. UNCTAD and the Malaysian Ministry of Science, Technology and Innovation organized a conference on the theme "Global food security: the role of science and technology" in February 2009 in Kota Kinabalu, Malaysia. The conference was attended by more than 200 agriculture professionals, researchers, policymakers, industry representatives, non-governmental organizations and academics from within the country, as well as several member States of the Commission and representatives from countries in the Association of Southeast Asian Nations region.

12. The conference discussions focused on the short-term and long-term action plans to be implemented in addressing the food crisis through science and technology. It examined whether the issue of the food crisis could be resolved by way of science and technology policies, with a particular focus on agro-based economic activities.

13. The conference called for continued investment and research efforts in developing and sharing new technologies and technological solutions in the agriculture sector. The conference welcomed the development of new irrigation technologies that could render increased rice productivity and benefit small-scale farmers. One proposal also sought to examine innovative technological solutions that would allow small-scale farmers to collaborate with large corporations and companies. Another proposal called for advancing the current research on the genetic manipulation of seeds, since high-quality seed is an important element for improving productivity and the quality of agriculture. The conference also called on the agriculture sector to adopt wider use of information and communications technologies. New information and communications technologies, such as the global positioning system, are particularly relevant for land utilization monitoring systems and land use mapping and analysis.

C. Technology and innovation report 2009

14. The UNCTAD technology and innovation report, scheduled to be launched in November 2009, examines the role of science, technology and innovation in addressing agricultural productivity and food security issues in developing countries. The report investigates ways and means to reverse the current trend of declining agricultural productivity in many developing countries. These include the adoption of existing technologies and the development of new ones; innovation in agricultural systems (technology and non-technology based); improved agricultural infrastructure; and improved services and land management practices and related national policies. It draws upon lessons learned from the Asian "green revolution" and proposes policy options that developing countries and the wider international community could consider in order to achieve higher agricultural productivity in developing countries, in particular in sub-Saharan Africa. Within this context, the analysis addresses, inter alia, the international transfer of technology; international trade; and farm-level diffusion of agricultural inputs and technologies. It also

examines how the transfer and farm-level diffusion of agricultural technologies may be affected by intellectual property provisions. It emphasizes the building of an enabling environment to utilize technologies and inventions, including the role and examples of South-South and South-South triangular cooperation.

D. Policy forum on information and communications technologies "Tunis +3: broadband, industry of content for development"

15. The Government of Tunisia, in collaboration with UNCTAD and the International Telecommunication Union, and in partnership with the Global Alliance for Information and Communications Technology and Development and the African Development Bank, organized the third Information and Communications Technology for All Forum, "Tunis+3: broadband, industry of content for development", held in Hammamet, Tunisia, in November 2008. The Forum addressed strategies and options to expand access among low-income countries to low-cost fixed or wireless broadband technology. It provided an opportunity to feature some recent broadband initiatives targeting low-income countries and to share national experiences relevant to the deployment of broadband. The Forum was attended by close to 1,500 participants, representing more than 60 countries.

16. The ministerial session of the Forum focused on national strategies for the development of broadband and digital content and enabled participants to share their experiences in providing broadband services and digital content at the policymaking level. It was generally acknowledged by participants that the emphasis should be to continue efforts to: (a) build information and communications technology infrastructure, through integrating innovative technologies to accelerate the development of networks and applications; and (b) remedy the weaknesses in the dissemination of e-culture at the broader layers of the population.

17. Through panels, the Forum addressed a spectrum of issues concerning broadband and digital content. One panel examined ultra high-speed broadband for business and investment promotion, in particular in the case of Africa, arguing that the continent should have opportunities that would enable it to connect and use the existing infrastructure and services to create its own solutions. Participants also highlighted noteworthy success stories achieved by mobile telephony in Africa, highlighting innovative business models that led to their success. Furthermore, many of the participating international and regional organizations presented their information and communications technology for development projects and initiatives in the African region to the forum.

E. Network of Centres of Excellence

18. The Commission continued to collaborate with UNCTAD on the Network of Centres of Excellence project (www.unctad.org/noce). The project is executed through a group of scientific and technological institutions in developing countries, selected for their competence and state-of-the-art facilities. With these as regional hubs for learning and training, the Network organizes long- and short-term training courses and workshops on science and technology applications for scientists and engineers from developing countries, in particular from Africa. The courses enable the scientists and engineers to update their professional expertise in modern

scientific environment. They also strengthen professional linkages within the scientific community and facilitate the mobility of science and technology professionals.

19. Three training sessions were organized in 2008, one in Tunisia and two in Egypt. The first francophone session of the Network was held in Tunisia, in collaboration with the National Agency for Computer Security, which is the only certified computer emergency response team in Africa, with the participation of 15 engineers from francophone African countries. The Network partner agency in Egypt is the Agricultural Genetic Engineering Research Institute in Giza. The two trainings sessions held in Egypt, one on "Molecular marker techniques and fingerprinting" and the other on "Biosafety and genetically modified organism detection", were each attended by 20 scientists from African countries.

20. The Network benefits from a large audience in the developing world's scientific community and a database of over 400 scientists, researchers and contacts in the academic world. The demand for the training courses has been very high, despite the fact that some of these are on specialized areas. For example, the training course on cybersecurity received over 100 applications for 15 openings. In total, about 600 applications were received for 133 openings.

III. Work of the United Nations Conference on Trade and Development in the area of science, technology and innovation policies

21. The work of UNCTAD in the area of science, technology and innovation policies has been primarily carried out through its science, technology and innovative policy reviews.

22. The main objective of the reviews is to help Governments ensure that their science, technology and innovation programmes become instruments for: supporting relevant components of the national development agenda; helping local industry compete in a knowledge-based, global economy; generating better paying jobs; increasing standards of living; reducing poverty; and stimulating economic growth.

23. The reviews are demand-driven technical assistance projects that assist developing countries in science, technology and innovation policymaking by reviewing the strengths and weaknesses of their existing science, technology and innovation capabilities, their innovation systems, their policy frameworks and the challenges they face in selected industries or issue areas. They provide information-based policy recommendations formulated to address their specific circumstances and the challenges that they face in harnessing the potential of science, technology and innovation to solve problems and promote economic and social development. The reviews are based on information and data collected from desk and online research, in-country evaluation missions, discussions with policymakers and consultations with a wide spectrum of stakeholders from both public and private sectors, as well as important development partners, non-governmental organizations and national counterparts in the country.

24. Reviews have been completed for Angola, Colombia, Ethiopia, the Islamic Republic of Iran and Jamaica. Other reviews for Ghana, Lesotho and Mauritania are currently being finalized. A memorandum of understanding was signed between the

Government of Iraq and UNCTAD in September 2008 to include a review of Iraq as a component of a wider UNCTAD programme of support to the country. Reviews will soon be started for the Dominican Republic, El Salvador and Peru, under a development account project for reviews in Latin America and the Caribbean.

25. Several lessons can be drawn from recent experience in producing the reviews. A high degree of participation by national counterparts, policymakers and other key stakeholders in the country in the preparation of the review promotes a more useful final document. The reviews can be particularly useful when they feed and are integrated into locally driven processes. Ideally, a review should be part of the initial process of evaluating and revising national science, technology and innovation policies, and not the end of the process. To be most effective, there needs to be adequate awareness of the role that science, technology and innovation can play in promoting economic and social development, among key policymakers, educational institutions, the private sector and the wider public. Awareness-raising may be needed in some countries but not in others. As coherent policymaking is essential to strengthening science, technology and innovation capabilities and harnessing technologies for local use, and because science, technology and innovation policymaking cuts across Government departments, it may be advisable for policies to be reviewed, revised and developed with inter-ministerial representation via a coordination mechanism. Finally, political support and leadership at the highest levels can be instrumental to the process, especially where cohesive inter-ministerial cooperation is difficult to achieve.